

Beyond “Green”

Broad-reaching sustainability reports are gaining traction in the flavor and fragrance industry

Layla Schlack, special to *Perfumer & Flavorist*

Sustainability in the corporate world by and large means environmental programs ranging from alternative energy sources to purchasing emissions offsets. This creates good publicity and, yes, does its part to lessen damage to the earth. As sustainability has become a buzzword, consumers have grown more aware of issues such as climate change, and so corporations have been compelled to release sustainability reports marking progress toward specific goals. Naturally, cost-management and profitability are also important factors.

The Global Reporting Initiative (GRI) was formed in 1997 to encourage companies to create sustainability reports and give them the tools to do so. While reporting is optional, many companies have begun participating. Over the past few years, many of the biggest companies in the flavor and fragrance industry, such as Firmenich, Givaudan and International Flavors & Fragrances (IFF), have gotten involved in this trend, publishing reports that address water use, emissions, energy use and waste, in addition to ethical farming and supply chain management.

Of course, in the flavor and fragrance industry, the concept of sustainability is a little bit more complex; the issue of sustainable processes and production are coupled with the need to create a product that is sustaining. Because flavor and fragrance ingredients are often drawn from plants grown in developing nations, social responsibility is often part of sustainability projects. Often nutrition and wellness are part of the discussion as well—it's a logical jump when flavors go into products that literally help sustain people.

Firmenich published its first sustainability report six years ago with a set of goals to be achieved by 2010. It exceeded three of those goals by 2009. In 2010, the company set an ambitious set of goals to be accomplished



by 2015. These included reducing water use and carbon dioxide emissions by 15% and partially powering 90% of manufacturing facilities with renewable energy. But it also addressed more ethical concerns, such as implementing sustainable natural ingredient sourcing projects in eight countries and providing better nutrition to 1 million children in developing countries. The report also stated a goal of improving employee safety by 50%, which resulted in a 37% reduction in accidents from the 2010 baseline. In 2011, the first year working with a new strategy, Firmenich did see slight increases in energy use, emissions and waste compared to 2010 numbers, but those rates were still drastically lower than 2006 figures.

“We did not develop a separate sustainability strategy for 2015, but a 2015 strategy that fully integrates sustainability,” says Firmenich CEO Patrick Firmenich.

Partnerships and awards also bolstered sustainability efforts and helped gain public recognition. The company observed the United Nations (UN) General Assembly's International Year of Forests in 2011 with agriculture projects in Haiti, Brazil, Uganda and Madagascar, and by supporting a multimedia project, *Of Forests and Men*, by the GoodPlanet Foundation. Firmenich also partnered

with the Rainforest Alliance to create the first Rainforest Alliance-certified vanilla, and it was recognized by the Clinton Global Initiative for its work helping vetiver farmers in Haiti. While these are not quantitative measures of sustainability, they do paint a picture of just how big an idea sustainability is in this industry.

Givaudan published its inaugural sustainability report last year, teaming up with a nonprofit organization called The Natural Step to help set goals and plans of action. The Natural Step was founded in 1989, and it works with businesses and communities to create sustainability strategies. This kind of consulting business is a growth industry itself. In Givaudan's case, working with a consultant's framework helped the company establish five areas of focus—raw materials, employees, innovation and development, operations, and customers and markets. Some key points include working more closely with suppliers, improving workers' health, reducing waste and emissions, and continuing to create products with which consumers are happy. IFF focuses on similar goals, while adding increased employee engagement.

In its 2011 sustainability report, which earned a B+ under GRI's G3 guidelines and was assured by Ernst & Young, Givaudan showed strong growth toward goals it hopes to achieve by 2020. Municipal and groundwater consumption is down by 13.8% from the 2009 baseline, and the 2020 goal is to reduce municipal and groundwater consumption by 15% from the 2009 level. Carbon dioxide emissions are already more than halfway to their 2020 goal, which is a 25% reduction, with a 12.8% drop from the 2009 baseline. Lost time injuries are down 44% as well.

"We have moved the idea of sustainability being a project to something that is being embedded within our organization," says Givaudan CEO Gilles Andrier. "Talking about compacting fragrances, for example, or helping food manufacturers create great tasting healthier products, is now becoming intrinsic to how we do business."

Sustainability is a large part of the overall missions of other flavor and fragrance companies

such as McCormick—which is committed to diversity, transparency and support in its supply chain—and Mane, which endorses the UN's "Caring for Climate" policies and reducing greenhouse emissions.

As consumers become savvier about where food and personal care products and ingredients come from, more companies are likely to publish sustainability reports to highlight their efforts.

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