

Givaudan

engage your senses



2021

INTEGRATED ANNUAL REPORT



# WHO WE ARE

## Committed to Growth, with Purpose

With **game-changing innovations** in food and beverage and **inspirational creations** in the world of scent and beauty, we lead the global industry in flavour & taste, functional & nutritional ingredients, and fragrance & beauty.

We are committed to **driving purpose-led, long-term growth** by increasing our positive impact on **nature and improving people's health and happiness**. It's a commitment to create shared value for **the business, society and nature**.

**185**  
locations in  
**52** countries  
worldwide

**69**  
Creation and  
research  
centres  
worldwide

Over  
**16,800**  
employees

Our two principal business activities

## TASTE & WELLBEING

Going beyond great taste to create food experiences that do good and feel good, for body, mind and planet.

## FRAGRANCE & BEAUTY

Bringing you inspiring creations in the world of scent and beauty through craftsmanship, creativity and passion.

Discover our world

Enlivening the planet with innovative solutions and delivering the highest standards across our value chain, from operational and financial performance to delivering a superior customer experience.

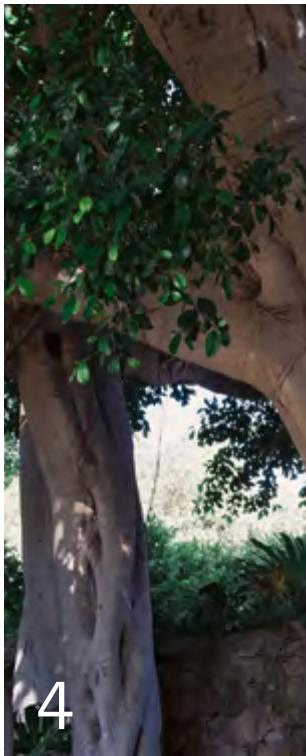
**Let's imagine together**



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By being ‘Committed to Growth, with Purpose’, we delivered profitable growth in 2021 – the first year of our five-year strategic cycle – while having a positive sustainable impact through our creations on people, nature and communities.

This report outlines how we achieved growth and made positive impacts during the year.



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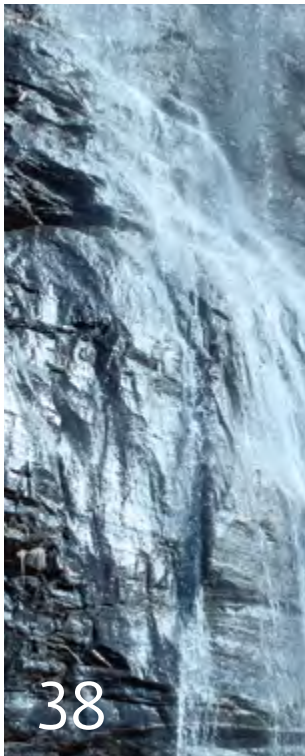


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# A YEAR IN REVIEW





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# Our impact in 2021

Creating growth for our business, society and the planet.

## Sustainable performance review

For the year ended 31 December, in millions of Swiss francs, except for environment and social data

	2021	2020	Percentage change
<b>Economic</b>			
Group sales	6,684	6,322	5.7%
Like-for-like sales growth	7.1%	4.0%	
Gross profit	2,855	2,659	7.4%
as % of sales	42.7%	42.1%	
EBITDA <sup>1</sup>	1,482	1,397	6.0%
as % of sales	22.2%	22.1%	
R&D spend	562	536	4.7%
as % of sales	8.4%	8.5%	
Operating income	1,089	996	9.3%
as % of sales	16.3%	15.8%	
Net income	821	743	10.5%
as % of sales	12.3%	11.8%	
Operating cash flow	1,288	1,189	8.3%
as % of sales	19.3%	18.8%	
Free cash flow	843	811	3.9%
as % of sales	12.6%	12.8%	
Total assets	11,420	10,658	7.1%
Net debt	4,394	4,040	8.8%
Leverage ratio	51%	50%	
Share price as of last trading day of December (CHF)	4,792	3,730	28.5%
Cash dividend <sup>2</sup> (CHF)	66	64	3.1%
Earnings per share – basic (CHF)	89.03	80.59	10.5%
<b>Environmental</b>			
Absolute GHG Emissions scope 1 + 2 <sup>3</sup>	(31%)	(24%)	
Absolute GHG Emissions scope 3 <sup>3</sup>	(4%)	(2%)	
Renewable electricity (RE 100 compliant) <sup>3</sup>	84%	65%	
Water efficiency <sup>4</sup>	(4%)	N/A	
Waste efficiency <sup>5</sup>	(2%)	(10%)	
<b>Social</b>			
Number of employees as at 31 December (FTE)	16,842	15,852	6.2%
Women in total work force <sup>6</sup>	39%	39%	
Women in senior management	26%	25%	
Turnover rate	10%	9%	
Lost time injury rate <sup>7</sup>	0.34	0.25	36.0%

**26%** Women in senior management

**1.4%** Average base salary difference between men & women<sup>1</sup>

**–22%** Reduction of recordable injury rate since 2018

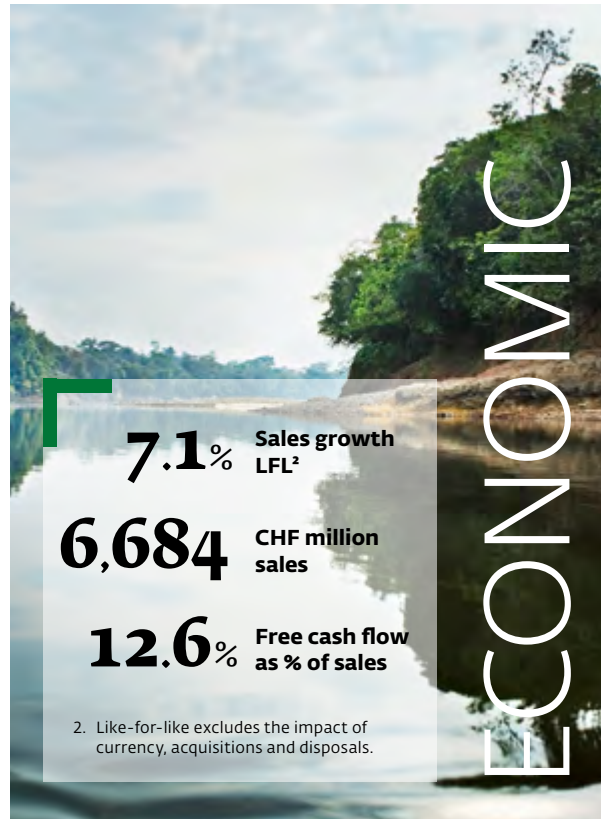
1. Results for the Givaudan Group globally, for equivalent roles and skill sets.

# SOCIAL

- EBITDA defined as Earnings before interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.
- 2021 dividend subject to shareholder approval at the AGM on 24 March 2022.
- 2020 figures restated to include acquisitions.
- On sites facing water stress, baseline year 2020. For municipal and groundwater (m³) per tonne of production.
- Tonnes of incinerated and landfill waste per tonne of production compared to 2015.
- Excludes all acquisitions except Activ International in 2020 and in 2021 Activ International & drom integrated entities
- The 2021 increase is due to the inclusion of acquisitions.

Note: Like-for-like excludes the impact of currency, acquisitions and disposals.





## Our solid track record of ESG ratings



**Double 'A rating'** for climate and water for three consecutive years



**CDP leader board** recognition for supplier engagement (2021 score published end of Feb. 2022)



Awarded the **EcoVadis Gold** medal, ranking us in the top 5% of more than 75,000 businesses



**SUSTAINALYTICS**

Rated as 'low-risk' in 2021 with a score of 19.1 and a chemicals industry **ranking 13 out of 480**

## FTSE4Good Index Series

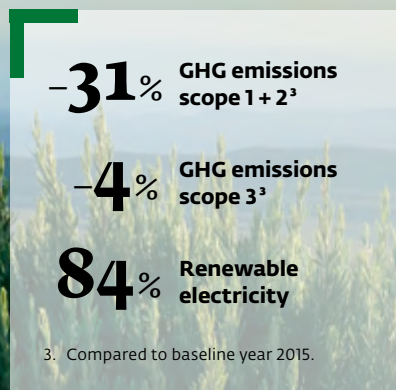
Ranked in the top 2% in the **FTSE4Good Index Series**, among our peers



Included in **SXI Swiss Sustainability 25 Index**



Since 2017 Givaudan has been rated AAA by **MSCI ESG RATINGS**



# ENVIRONMENT

# Highlights 2021

Throughout the year our activities helped expand our capabilities and move closer to our customers. Whether it be innovations, investments or acquisitions, we aim to create value and positive impact for our stakeholders, the economy, environment and society overall.

## Strengthening our global protein innovation network

- Two protein innovation centres were opened in Zurich and Singapore to support our ambitions in co-creating plant-based food experiences that do good and feel good. All around the world, consumers are seeking plant-based options for health and ethical reasons. The two centres provide further opportunities with customers, start-ups and partners to co-create for the future of sustainable food.



## Strategic realignment of the Taste & Wellbeing portfolio

- We expanded our product offering and capabilities to support customers to deliver future facing food experiences that consumers value. This realignment signals our ability to anticipate and understand our customers' needs with a consumer end-benefit in mind. The three experience spaces identified are: Feel Good Food Experiences, Does Good Food Experiences and Imagine Food Experiences.



## Engaging with key players to accelerate sustainable change

- We've joined WBCSD to launch Vision 2050: Time to Transform, which provides ambitious guidance to the business community on how to accelerate change. It offers an opportunity to unlock the incredible potential of a green economy, as businesses grow with their customers and act as a force for good.
- And we've joined Together for Sustainability, a global sector supply chain initiative to assess, audit and improve supply chain sustainability practices.





### Expanding opportunities in China

- Driving innovation and supporting growth with local and regional customers in China with the opening of our new Digital Space in Shanghai.
- Accessing high growth fragrance and beauty market opportunities in China through our first-of-its-kind partnership with Tmall, Alibaba's open business-to-consumer platform, and by becoming a shareholder in Next Beauty, a leading incubator for emerging brands looking to grow in China.

### Creating value through our recent acquisitions

- The acquisition of 25% of B.Kolormakeup & Skincare (b.kolor) expands our offerings in the consumer-packaged goods and luxury segments;
- Myrissi gives us the technology to translate fragrances into colour patterns and images;
- Custom Essence strengthens our access to local and regional customers and expands our capabilities in natural perfumery in North America;
- DDW the Color House strengthens our global leadership in the natural colours business.



### Building transparency across supply chains

- We've strengthened and expanded our responsible sourcing programme into an umbrella programme called Sourcing4Good, which is based on collaboration and knowledge sharing, experience and expert input from suppliers, customers and partners. Our suppliers can expect more visibility and the opportunity for partnerships, while our customers will have greater access to safe, high-quality products sourced in a responsible way and increased oversight and detailed knowledge of their supply chains.





# A bright start to our 2025 strategy

Delivering strong financial  
and non-financial performance  
while managing the ongoing  
impact of the global pandemic.

CHAIRMAN'S LETTER



## Dear shareholders,

2021 was the start of our new five-year strategy cycle 'Committed to Growth, with Purpose', and I am very pleased to share that we delivered a very strong business performance. We continued to respond with agility to the ongoing impact of the global pandemic, turning challenges into opportunities. I'd like to thank our colleagues, customers, partners and suppliers for their great collaboration and commitment for all that we achieved. I'd also like to thank you for your commitment and investment in Givaudan.

In 2021 we delivered solid topline growth of 7.1% in Swiss francs and free cash flow generation of CHF 843 million or 12.6% of sales, in line with our 2025 financial targets. On the basis of Givaudan's strong performance in 2021 and its continued solid financial position, the Board of Directors will propose an increase in the dividend to CHF 66.00 at the Annual General Meeting on 24 March 2022. If accepted, this will be the twenty-first consecutive increase since our listing on the Swiss stock exchange.

The global macro trends that we identified for our 2025 strategy continue to drive our business and in many areas have been strengthened by the pandemic. Our focus areas of health and wellbeing, responsible sourcing and digitalisation are leading us to further exciting innovations, offering new ways of bringing value to our customers and meeting consumer needs. We also continued to broaden our portfolio with strategic acquisitions that will enable us to provide even more complete solutions, as well as broaden our customer reach and support our growth ambitions.

We recognise the changing expectations on the role of businesses to meet the requirements of a wider set of stakeholders in financial and non-financial matters. Our ESG approach is therefore led by our purpose ambitions and targets, which are fully embedded in our 2025 strategy. This is how we will address the urgent challenges facing society such as climate change and ensure our sustainable long-term performance. We hold ourselves accountable through the highest standards of reporting with the IR framework and GRI standards. For the first time, we have included the Sustainability Accounting Standards Board (SASB) mapping table and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations table in our reporting suite.

Digitalisation continues to provide exciting opportunities to change the way we do business, either to provide new products and new engaging experiences for our customers or to design simpler, more agile business services. The pandemic has also accelerated the digital workplace transformation, as

we adopted virtual meetings and new ways of working with our customers. As a result, cyber security has increased in importance and, with the Board's role to ensure robust risk management, we have been strengthening our capabilities and preparedness in this area.

At the AGM in March 2022, all Board members will stand for re-election, including long-standing members Michael Carlos and Prof. Dr-Ing. Werner Bauer who have reached the age limitation as set out in the Board regulations. We believe it is in Givaudan's best interest to keep them both on the Board to ensure good continuity during the onboarding of new Board members, given the difficulties caused by the pandemic. We will propose to the Annual General Meeting of shareholders on 24 March 2022, to elect Tom Knutzen as a new Board member. We have an experienced team in place at the Board level, and at all levels we continue to ensure we have the necessary competencies and the right blend of expertise and experience.

**“ I'd like to thank our colleagues, customers, partners and suppliers for their great collaboration and commitment for all that we achieved. ”**

I'd like to express my heartfelt thanks and gratitude to my fellow members of the Board of Directors, the Executive Committee and all our colleagues worldwide for their hard work and dedication, especially during another challenging year. I am always so impressed by the contribution and passion of everyone at Givaudan to pursue excellence in everything we do.

Finally, I would like to share my thanks to you, our shareholders, for your trust and continuing support. I remain confident this Company is well positioned for the future and long-term success and will continue to create further stakeholder value through profitable, responsible growth, guided by our purpose.

I send my best wishes and health for the year ahead.



**Calvin Grieder**  
Chairman



## CEO INTERVIEW

“I am proud to look back at a year of great achievements, in pursuit of delivering sustainable value creation for all our stakeholders.”

Gilles Andrier, CEO is interviewed by Givaudan employee Alice. They discuss how the business delivered in the first year of its new strategy cycle, while also managing through another pandemic year.

**Alice** In 2021, we continued to face the challenges of the evolving pandemic. How would you characterise the year?

**Gilles Andrier** Overall, it was a significant and strong year for us. Significant as we started out on our next five-year strategy cycle – ‘Committed to Growth, with Purpose’ – and delivered a strong financial performance while also making progress on our purpose targets.

We also showed our strength in being able to deliver this against a backdrop of continuing challenges from the second year of the pandemic. We continued to prioritise the health and

wellbeing of our employees, ensuring we delivered for our customers, and overall remaining a resilient business.

Across our growth drivers and enablers, we've been effectively implementing our strategy, and the key themes we identified have been strengthened and proven to be the right ones, such as health and wellbeing, naturals, plant-based proteins, Active Beauty among many others.

I'd like to express my huge thanks and pride in all of our over 16,800 colleagues around the world who contributed to Givaudan's success in 2021.

**A** Overall, how did the business perform?

**GA** Ambitious financial targets are central to our 2025 strategy roadmap, along with the addition of purpose-linked targets to show the progress we want to make towards our longer-term purpose ambitions in the areas of Creations, Nature, People and Communities. We aim to achieve average organic sales growth of 4-5% on a like-for-like basis and an average free cash flow of at least 12%. We grew strongly in 2021, achieving sales of CHF 6,684 million, a growth of 7.1% and an average free cash flow of 12.6%.

We showed once again our ability to deliver industry leading, purpose-led growth with a long-term perspective. All areas





and markets of the business performed well. It has also been encouraging to see the product segments most affected by the pandemic – namely Fine Fragrances, and to a lesser extent Active Beauty as well as foodservice in Taste & Wellbeing – experience a strong recovery. And overall, again we saw the resilience of the business, which has been built over many years through having ‘natural hedges’, by being in every single market in the world, in taste and wellbeing and in fragrance and beauty, with the widest diversity of product categories, and servicing a wide variety of customers.

**A Beyond financials, we've included purpose-related targets for 2025. What progress did we make here?**

**GA** When we launched our purpose, ‘Creating for happier, healthier lives with love for nature’ in November 2019, we also set out a number of ambitious targets to underpin our commitment to have a positive impact on Creations, Nature, People and Communities. This is now fully embedded in our 2025 strategy, showing how we want to grow with purpose and how we express our commitment to ESG.

Our ambition is that through our creations more people will enjoy happier, healthier lives, and that through these creations, we will double our business by 2030. We demonstrated strong growth through 2021 by delivering products that delight consumers and contribute to their overall wellbeing.

Other highlights for 2021 included a strong focus on our climate positivity journey, and we have recently been recognised by CDP with a double A rating for leadership in climate action and water stewardship. We launched Sourcing4Good, a progressive programme which has been co-created with customers, specialists and internal stakeholders, to help accelerate our purpose goal to source all materials and services in a way that protects people and the environment by 2030.

Throughout the pandemic, we've continued to focus on the health and wellbeing of our colleagues. This is part of our ambition to improve how we care for all our people, providing access to mental and physical health initiatives, tools and training.

We also continued to make progress on our long-term journey to become a certified B Corporation, which will measure Givaudan's entire social and environmental performance and provide independent verification that we live up to our purpose.

**A We started the implementation of our 2025 strategy 'Committed to Growth, with Purpose'. What have been some of the highlights?**

**GA** Our 2025 strategy is our five-year roadmap for how we will deliver sustainable value creation for all our stakeholders. Across our growth drivers and enablers, there were a number of highlights of how we are effectively implementing our strategy.

We continued to make investments in acquisitions that further broaden our offering to our customers and strengthen our global footprint. This includes a CHF 75 million investment in a new extension to our Pedro Escobedo Fragrance & Beauty production facility in Mexico to support growth in Latin America and across customer segments.

Taste & Wellbeing introduced its new Product Portfolio Architecture (PPA), realigning its portfolio to better reflect how, through the expanded product offering and capabilities, we support customers to deliver future-facing food experiences that consumers value. To accelerate alternative protein development, a new Protein Hub at our Zurich Innovation Centre was opened, bringing together customers, start-ups, academics and chefs to co-create.

As part of our commitment to nature-conscious fragrances and showing our love for nature in everything we do, Fragrance & Beauty announced the launch of its Naturality Index™. This is a one-of-a-kind assessment tool that allows perfumers to factor-in the environmental impact of their ingredient selection bringing a new differentiating dimension to the creative process. Also supporting our customers to meet their sustainability ambitions, we introduced PlanetCaps™, an industry-leading first-to-market fragrance encapsulation innovation that enables long-lasting fragrance experience in a biodegradable and bio-sourced delivery system for fabric softeners.

Supporting our growth enabler – simplicity and innovation in everything we do – our Givaudan Business Solutions organisation continued helping us to be more agile and reduce complexity. We leveraged this platform through the challenges of the pandemic to minimise the impact on our ability to service our customers.

**A There were further acquisitions in 2021. How do they contribute to the strategic focus areas?**

**GA** To support our growth ambition, our 2025 strategy is built around three key drivers. Firstly, expand the portfolio, going beyond the current portfolio of flavours and fragrances, naturals and delivery systems into nutrition, food ingredients and beauty. Secondly, focussed market strategies which is about maximising mature market opportunities while at the same time extending our high growth market leadership, particularly in China. Finally, extending customer reach particularly with the local and regional customer segment.

## “ We have shown once again our ability to deliver industry leading, purpose-led growth with a long-term perspective. ”

Throughout 2021, we made a number of strategic acquisitions which fully align to these key drivers. They include DDW, The Color House, a US-based natural colour company. The acquisition enables us to become the number two global player in natural colours and continue our expansion into adjacent spaces.

To expand our presence with local and regional customers, as well as grow our capabilities in natural perfumes, we acquired Custom Essence, a US-based fragrance creation house. We also acquired 25% of b.kolormakeup & skincare's shares, aligned with our 2025 ambitions to keep expanding in skin care and make-up. This builds on the other acquisitions we have made to support our local and regional strategy including Expressions Parfumées, Fragrance Oils and drom, which have proven to be successful additions to the portfolio. Finally, we agreed a joint venture with Privi India to further strengthen our manufacturing footprint in India and bolster production capabilities for our global speciality fragrance ingredients.

We also continued to make good progress with our programme to fully integrate acquired companies with Givaudan systems, processes and organisation.

### A We've identified digital innovation as a key enabler for our 2025 strategy. What were some of the investments made here?

**GA** Yes, we see digital innovation as a key enabler to keep our customers at the centre of everything we do and support the business to meet our ambitious mid- and long-term goals.

We acquired Myrissi to strengthen our artificial intelligence (AI) capabilities, so we now have an exciting AI tool capable of translating fragrances into consumer-relevant colour patterns and images as well as predicting the end consumer's emotional response. Helping us to capture digital opportunities for fragrance creation in China, we entered into a partnership with Tmall, the Alibaba group's open business-to-consumer (B2C) platform.

We also opened a new Digital Space in China, one of the most digitalised of markets, allowing us to leverage transformation opportunities and to support growth with local and regional customers. The dedicated space will enable our digital innovation teams, working alongside regional and local business teams, to identify opportunities and leverage technologies to co-create the products and services of tomorrow.

### A With the shift to more flexible and hybrid ways of working as a result of the pandemic, what is Givaudan's approach?

**GA** The pandemic has brought many opportunities to do things differently, and we've wanted to take the learnings and experiences and turn them into positives for the future.

One area is flexible working. Like many businesses, we've seen proof of the benefits of having more flexibility while also continuing to balance the needs of the business. The new ways of working adopted during the pandemic increased touchpoints with colleagues and customers and helped us to be even more inclusive.

In support of our People purpose goal to be a place where we all love to be and grow, and taking the learnings from the pandemic, we have developed a Flexible Working Framework and toolkit to support local HR and sites to implement locally. We will continue to build on the experience and learnings of this period to take forward with us.

### A How is Givaudan approaching leadership development and succession planning?

**GA** We have a well-established leadership development programme to nurture talent from within the Company, which has been redesigned to reflect our changing business and ensure we develop leaders with the right skills and behaviours for the future workplace.

With our strong focus on succession planning and the quality of our leaders, where we've evolved our senior leadership teams in Fragrance & Beauty and Taste & Wellbeing in 2021, we've been able to do this from within the Company.

### A Looking ahead to 2022, what will the year bring?

**GA** I am excited for the year ahead as we continue to implement our 2025 strategy and make progress on our purpose targets. While we anticipate further disruptions from the pandemic and other supply chains that are not distinct to our industry, we have robust plans in place to adapt accordingly.


We take confidence from how we have managed through the last two years in continuing to be a resilient business. We have a clear plan in place and, combined with the talent and passion of our fantastic colleagues around the world, we remain positive about the year ahead.



A modern office interior featuring two large vertical gardens filled with various green plants. In the foreground, several colorful, rounded beanbag chairs in shades of green, yellow, and orange are arranged on a grey floor. The background shows glass-walled offices and a bright, modern ceiling with recessed lighting. A semi-transparent dark grey rectangle is overlaid on the image, containing the text "STRATEGIC VALUE CREATION" in white capital letters. A small orange L-shaped graphic is in the top-left corner of the rectangle.

# STRATEGIC VALUE CREATION



A modern office interior featuring two large vertical gardens on the left side. A curved white staircase is visible in the background. The ceiling has a grid of recessed lights. The floor is a light-colored, polished material. The overall atmosphere is bright and contemporary.

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# Our 2025 strategy

## Committed to Growth, with Purpose

Our 2025 strategy is derived from our purpose, and sets out our roadmap to deliver sustainable value creation over the next five years for all our stakeholders.

Committed to Growth, with Purpose outlines our intention to deliver growth in partnership with our customers, achieve ambitious financial targets, while also making progress on our longer term purpose ambitions in the areas of creations, nature, people and communities.

This is supported by our ongoing journey to becoming a B Corp certified company, helping us to live up to the highest standards of being a responsible and sustainable business as we strive to be a force for good. Our certification will be the independently verified proof that we are acting on our purpose goals and successfully balancing people, planet and profit.

Our 2025 strategy is powered by three core **growth drivers** and four **growth enablers**, and supported by **our focus** on Excellence, Innovation, Simplicity in everything we do.

### Growth drivers

#### **Expand the portfolio** Page 20

Going beyond our current portfolio to further expand into nutrition, food ingredients and beauty.

#### **Extend customer reach** Page 21

Embracing opportunities in today's more fragmented customer landscape and driving growth in the local and regional customer segment.

#### **Focussed market strategies** Page 22

Maximise mature market opportunities at the same time as extending our high growth market leadership.

### Growth enablers

#### **Creations** Page 53

Expanding strategic relationships with suppliers, start-ups and partners; enhancing co-creation with customers.

#### **Nature** Page 70

Further embedding environmental sustainability in our product portfolio and continuing our efforts in sourcing responsibly.

#### **People** Page 88

Nurturing a diverse and inclusive workforce; evolving workplace trends; caring for employee health and wellbeing.

#### **Communities** Page 100

Bringing benefits to all communities that work with us, including the communities where we source and operate.

### Focus on

#### **Excellence, Innovation & Simplicity – in everything we do** Page 23

Delivering the highest standards across our value chain, from operational and financial performance to the delivery of a superior customer experience.

“ Continuing global challenges such as the pandemic and climate change make it even more important to work closely with our customers to deliver solutions that help address social and environmental issues and generate value. ”

Gilles Andrier, CEO

## Givaudan, a high performing company that is a force for good



**Excellence, innovation, simplicity in everything we do**

4 – 5% GROWTH

PURPOSE LINKED TARGETS

>12% FCF

**E**nvironment

**S**ocial

**G**overnance

**ESG fully integrated in our 2025 strategy**



## OUR 2025 STRATEGY **GROWTH DRIVER #1**



# Expand the portfolio

We're expanding our traditional portfolio of flavours and fragrances, naturals and delivery systems into nutrition, food ingredients and beauty. This broader offering helps customers better respond to consumer demand for products that support health and wellbeing, positive ageing and changing lifestyles while meeting their expectations around ethical and responsible business issues.

### OUR STRATEGY IN ACTION

#### **Key achievements in 2021**

- Expanding our offerings for the consumer-packaged goods and luxury segments with the acquisition of 25% of B.Kolormakeup & Skincare of Italy (b.kolor).
- Introduced Blossom Lab™, a fully equipped mobile laboratory to help create naturals extraction techniques directly in the field.
- Acquired DDW, The Color House. This will reinforce our ability to create multi-sensorial food experiences with our customers and enables us to become the number two global player in natural colours.
- We advanced the development of numerous biotechnology-based ingredients with external partners. A key ingredient, developed with Manus bio, will be launched in early 2022.



## OUR 2025 STRATEGY GROWTH DRIVER #2



# Extend customer reach

The trend for smaller and local brands is driving growth in the local and regional customer segment alongside a continued potential with larger international and global customers. We want to provide more tailored approaches to meet the wider range of customer needs in this rapidly changing and more fragmented landscape.



### OUR STRATEGY IN ACTION

#### Key achievements in 2021

- Opening state-of-the-art product development facilities to accelerate innovation for customers (protein centres and the Nordic Experience centre in Malmö, Sweden).
- Investing CHF 75 million to expand our fragrance production at Pedro Escobedo in Mexico, to open at the end of 2023, serving all customer segments in the Latin American key growth market.
- Strengthened our e-commerce offering in China through the opening of a flagship business-to-business (B2B) store on China's leading wholesale website, 1688.com.
- Acquired Custom Essence to strengthen access to local and regional customers and expand capabilities in natural perfumery in North America.



## OUR 2025 STRATEGY **GROWTH DRIVER #3**



# Focussed market strategies

We're responding to growth forecasts in global consumption and investing in high growth markets to ensure greater proximity to our customers and develop further understanding of local consumer preferences. We plan to maximise mature market opportunities over the next five years and extend our high growth market leadership, particularly in China.

### OUR STRATEGY IN ACTION

#### **Key achievements in 2021**

- Planning greenfield production plant in India for fragrance speciality ingredients through a joint venture with Privi Speciality Chemicals.
- Partnering with Tmall to launch T-Lab source innovation laboratory, leveraging our creative fragrance solutions and production capabilities in China.
- Launched our unique Advanced Tools for Modelling which uses AI to optimise food and flavour formulation and facilitate co-creation and collaboration with customers.



## OUR 2025 STRATEGY FOCUS ON

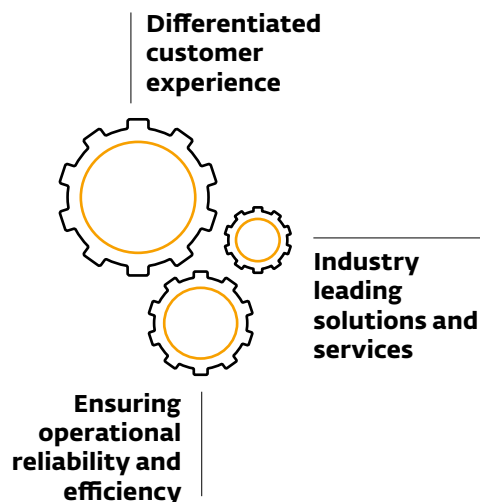
# Excellence, Innovation & Simplicity – in everything we do

From excellence in operational and financial performance to the delivery of a superior customer experience, we aim to deliver the highest standards across the value chain. Innovation is our lifeblood, from creating differentiating solutions that address our customers' challenges to leading the way in areas such as biotechnology and digitalisation. At the centre of everything we do are our customers.

### OUR STRATEGY IN ACTION

#### Key achievements in 2021

- Good progress in integrating recently acquired companies on our platforms such as SAP and GBS, as well as on our creation, development and commercial systems. Key steps to support our strategy.
- Launched the Aroma Kiosk, a new digital sensory insights tool, designed to connect with consumers directly, gather valuable consumer insights and recommend products in real time.
- Introduced PlanetCaps™, enabling customers to solve the complex feasibility equation between greenness and performance in fabric softeners. This cutting-edge technology will be expanded to other categories to boost sustainability.
- Partnered with BASF to launch the world's first toxicology testing strategy without animal testing.
- Started a 'silver lining' project to find positive opportunities from the difficult pandemic situation. Five areas have been identified that will contribute to enhancing our work life and how we serve customers. Work is underway to define key initiatives and guidance that will be rolled out in the short and long term.





# OUR 2025 STRATEGY

## PROGRESS AGAINST OUR TARGETS

Focus area	Targets	Status 2021
<b>Creations</b>		
<b>Sales</b>	Average organic sales growth of <b>4–5%</b> on a like-for-like basis <b>between 2021–2025</b>	<b>7.1%</b>
<b>Free cash flow</b>	Average free cash flow of <b>at least 12%</b> of sales <b>between 2021–2025</b>	<b>12.6%</b>
<b>Nature</b>		
<b>Emissions</b>	OPERATIONS: Our operations' carbon emissions (scope 1 + 2) will be cut by <b>70% before 2030</b> and will be <b>climate positive before 2040</b> (baseline 2015)	<b>–31%</b>
	SUPPLY CHAIN: Our supply chain emissions (scope 3) will be cut by <b>20% before 2030</b> and will be <b>climate positive before 2050</b> (baseline 2015)	<b>–4%</b>
<b>Electricity</b>	Power <b>100%</b> of our sites with renewable electricity <b>by 2025</b>	<b>84%</b>
<b>Water</b>	Improve water efficiency by <b>25%</b> on sites facing water stress <b>by 2030</b> (baseline 2020)	<b>–4%</b>
	We will continuously improve water efficiency on all other sites	<b>flat</b>
	<b>100%</b> of our wastewater discharge will meet or exceed regulatory and industry standards <b>by 2030</b>	<b>in progress</b>
<b>Plastics</b>	<b>100%</b> plastics circularity <b>by 2030</b>	<b>in progress</b>
<b>Waste</b>	Reduce waste by <b>4%</b> per tonne of product, year-on-year average (baseline 2015)	<b>–2%<sup>1</sup></b>
<b>People</b>		
<b>Diversity and inclusion</b>	We will be rated amongst the <b>leading employers for inclusion</b> globally <b>before 2025</b>	<b>in progress</b>
	<b>50%</b> of our senior leaders will be from <b>high growth markets</b> <b>before 2030</b>	<b>26%</b>
	<b>50%</b> of our senior leaders will be <b>women</b> <b>before 2030</b>	<b>26%</b>
<b>Caring for employee safety, health and mental wellbeing</b>	We will reduce our total recordable injury rate by <b>50% before 2025</b> (baseline 2018)	<b>–22%</b>
	Everyone on our sites will have <b>access to mental and physical health initiatives, tools and training</b> <b>before 2025</b>	<b>in progress</b>
<b>Communities</b>		
<b>Sourcing responsibly</b>	<b>100%</b> of materials and services sourced responsibly <b>by 2030</b> (baseline 2021)	<b>in progress</b>
<b>Communities benefit by working with us</b>	Ambition to <b>improve the lives</b> of millions of people in communities where we source and operate <b>by 2030</b> – targets being determined	<b>in progress</b>

1. Absolute reduction since 2015.

## Actions and measures

Focussing on our **strategic growth drivers**, focussing on **renewable, biodegradable** and viable **natural** solutions; addressing **health and wellbeing** issues; expanding our **portfolio**; greater collaboration and **co-creation**; exploiting **AI and digital** opportunities; increasing operational efficiencies.

Setting an internal **carbon price**; fixing site environmental **targets and assessments**; switching to **renewable energy** sources; promoting **energy efficiencies**; signing the UN pledge '**Business Ambition for 1.5°C**'.

**Sourcing** ingredients **responsibly**; developing **low-carbon** creations; driving **circularity** and **upcycling**; **optimising** packaging, logistics, transport of goods, business travel and employee commuting.

Committing to **RE100 since 2015**; setting site **renewable electricity** targets; generating electricity on site.

Driving **continuous improvement** using the 3R approach: 'reduce, reuse and recycle'; identifying shared water challenges and local stakeholder priorities in the watershed; implementing our **wastewater standard**; carrying out **water risk** assessments; **tracking site water** quantity and quality.

Becoming members of the advisory board of the **Renewable Carbon Initiative (RCI)**; co-leading a WBCSD plastic and packaging workgroup **defining a transition for B2B chemical products**; **reducing** our **plastic usage** and **consumption**.

**Applying circular principles** in product design, sourcing, manufacturing and packaging; **upcycling** to re-use materials normally disposed of; acting on the principle of '**no waste by design**'.

**Building more inclusive hiring practices**: Inclusive job ads; balanced slates for hiring and promotion; hiring manager training.

**Fostering inclusive leadership development**: Evolving our Leadership Development programmes; Better Balance approach; managing unconscious bias at work.

Investing in our **plant and technical equipment**; further developing our **Responsible Care Management System**; conducting periodic assessment of **risk and control on-site**; expanding our **behavioural safety programme**: advanced **safety leadership training** and comprehensive **worker trainings on health and safety**.

**Providing access to mental and physical health initiatives, tools and training** for all employees such as: Employee Assistance Programme; happier, healthier habits circles; health and wellbeing communities of practice,

Implementing our **Sourcing4Good programme**; **responsible sourcing policy**.

Through employee activities, Green Teams and the Givaudan Foundation, develop initiatives that: **respond to the needs** within communities; support activities ranging from **health and education** to enhancing **environmental and agricultural practices**.



# Business model

## Creating for happier, healthier lives, with love for nature

### Inputs

#### Financial Capital

Funds available to the Group

#### Intellectual Capital

Technology, patents, know-how, processes

#### Human Capital

The skills, motivation, diversity of our people, best-in-class health and safety procedures

#### Natural Capital

Raw materials, indirect materials and services, responsible and innovative sourcing programmes

#### Manufactured Capital

Production sites, infrastructure, end-to-end supply chain solutions

#### Social and relationship Capital

Our relationships with local communities, regulators and industry bodies, brand and reputation

### Our business model

#### Our two business activities

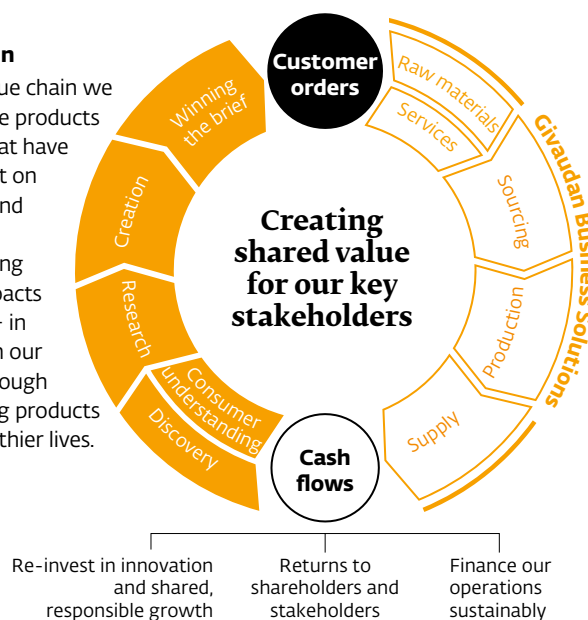
**Taste & Wellbeing**

**Fragrance & Beauty**

#### Our value chain

Through our value chain we create innovative products and solutions that have a positive impact on nature, people and communities.

The corresponding outputs and impacts deliver growth – in partnership with our customers – through creating inspiring products for happier, healthier lives.



**Strategy** [Page 18](#)

**Governance** [Page 110](#)

We draw on various resources (we call them inputs) and translate them into outputs that impact our Company and our stakeholders.

The value created is holistic, and the financial and non-financial capitals are interwoven. There are positive impacts and trade-offs. For example, to increase our renewable electricity we need to invest, but in the long term we reduce costs and our impact on the environment. And if we increase spending on training and

tools for our employees with the aim of increasing their motivation, the positive impact is increased productivity and sales. A further example can be found in our transparency and credibility on the capital market (increased stakeholder engagement), where increased trust facilitates accessing liquidity to finance our operations and acquisitions.

With our purpose as our guiding star, we continue to deliver sustainable value creation that benefits all our stakeholders.

## EXTERNAL ENVIRONMENT/MEGATRENDS/RISKS AND OPPORTUNITIES

### Outputs

#### Financial Capital

Responsible financial growth and shared profitability

#### Intellectual Capital

Differentiating solutions through responsible innovation

#### Human Capital

Recruiting, developing and caring for diverse and inclusive workforce

#### Natural Capital

Preserving biodiversity and renewable resources, reducing water and energy consumption, emissions and waste

#### Manufactured Capital

New site openings, acquisitions, sustainable products produced and sold

#### Social and relationship Capital

B Movement Builders, Business for Nature call-to-action, WBCSD CEO call to action on human rights



### Impacts

#### Financial value creation Page 38

#### Purpose Page 50

- Creations
- Nature
- People
- Communities

#### Stakeholders benefited Page 32

- Customers
- Suppliers
- Employees
- Investors and shareholders
- Local communities
- Public and regulatory agencies
- Innovators and partners

#### Our contribution to the United Nations

#### Sustainable Development Goals Page 166





# Trends, risks and opportunities

## Creating possibilities

Key developments impact consumer behaviour and preferences which in turn presents new risks and opportunities for us.

### A changing world over the next five years

Understanding key megatrends and associated risks, helps us find new opportunities and shape our business model to find new places to win. We have identified four key megatrends over the next five years that continue to bring new opportunities to our business:

#### Growing consumer base

The world's population is expected to continue its rapid growth, with the majority in Asia and Africa. The elderly and the Chinese are expected to account for about half of global consumption growth in 2015 to 2030, leading to new product innovation to meet their needs. Local brands will be even more relevant to – and trusted by – consumers, which will bring strong growth for local and regional companies in emerging markets.

#### Living longer and more responsibly

Consumers are seeking products that support their physical and mental health and are demanding greater transparency of labels. Opportunities are found in key health, nutrition and wellbeing trends that are driving consumer behaviour. Consumers are also looking for products that provide essential hygiene protection, allow them to look younger for longer, and the current coronavirus has sharpened the criticality of hygiene products to protect people's health.

#### Sustainability is of high concern

As the climate crisis looms and social inequalities rise, consumers are more responsible and engaged and they support businesses they believe act responsibly and address these societal challenges. They are looking for products that are produced in a way that does not cause harm to the environment.

#### Impact of COVID-19

The expansion of e-commerce is changing the shape of retail, and is growing faster than expected as a result of the pandemic. Consumers' health and wellbeing has risen even more in importance and they are looking for solutions that enhance and

## Megatrends

**TREND**  
Consumer base is growing



**IMPACT**  
• Asia and Africa leading the way

**TREND**  
Living longer and more consciously



**IMPACT**  
• Consumers are focussing on health and transparency

**TREND**  
Sustainability is of high concern



**IMPACT**  
• Consumers will buy more consciously  
• Responsible businesses will create a positive impact on society and the planet

**TREND**  
COVID-19: E-commerce, self-care and localisation gain importance



**IMPACT**  
• Consumers will buy more online and increase spending on self-care  
• Localisation will be even more important

support this. There is also increased localisation of production; supply chains need to find ways to overcome potential future supply and trade restrictions.

### Risk management

Risk taking is core to our innovation capacity, our entrepreneurial success and ultimately our sustained value creation and to exploiting opportunities.

Enterprise Risk Management (ERM) is our process of assessing, treating and monitoring the effects of uncertainty that may affect the achievement of Givaudan's objectives. We operate a structured system of identifying, assessing and deciding on responses to mitigate key risks. Through provident risk management, Givaudan aims to reduce or prevent negative impacts on its operations and business. The Board of Directors is responsible for defining and approving the ERM approach with the execution of the overall process delegated to the Executive Committee. Givaudan's overall ERM system is based on ISO 31000.

ERM applies across the business. It reviews different types of risks (threats and opportunities) in terms of their nature, their root causes/drivers and their consequences. Risks can have a quantitative impact on the EBITDA of the Group or a qualitative impact preventing Givaudan from reaching its long-term objectives and ambitions. We seek to consciously take the appropriate amount of risk, to manage these risks competently at the right level of the organisation, and to seize related business opportunities. We do conduct "zero-based" holistic risk refresh at the time of a new five-year strategy cycle. The last such holistic risk refresh was conducted in 2020 in connection with the 2025 strategy and the outcomes reported to the Board of Directors in early 2021. The Board of Directors reviews regularly whether the risks, especially the highest ones, are still pertinent.

#### READ MORE

For details on our enterprise risk management framework please consult: [www.givaudan.com](http://www.givaudan.com) ▶ Our Company ▶ Corporate governance ▶ Risk management

### Increased priority for climate change risk

As a business potentially affected by climate change, we have been carefully considering – with increasing scrutiny since the

## Our commitment to TCFD

Financial markets need clear, thorough information on the impacts of climate change including risks and opportunities presented by rising temperatures, climate-related policies and emerging technologies.

The Financial Stability Board's TCFD aims to bolster the reporting of such climate-related financial information and Givaudan is committed to the initiative. We largely address it through our extensive reporting through the CDP Climate change questionnaire.

#### READ MORE

TCFD Recommendations ▶ page 163

2015 Paris Agreement – many of the topics addressed by the Task Force on Climate-related Financial Disclosures (TCFD).

Although we have not yet completed the full quantitative analysis required by the TCFD, we are in alignment with its principles. This is largely demonstrated by the disclosures we submit through the framework of the CDP questionnaire and our subsequent reporting, which is included in our TCFD Recommendations mapping table on page 163.

The TCFD will help us and others to focus on and evaluate our exposure to climate change, encouraging the disclosure of reliable information on climate-related risks and the showcasing of actions and opportunities. This in turn will serve to strengthen the stability of the financial system, contribute to a better understanding of climate risks and ease the financing of a transition to a more stable, sustainable economy.

### Defending against cyber pandemic

The risk of cyber attacks has increased markedly, making information security a vital component for business resilience. Givaudan is addressing this risk through both technologies and behavioural measures.



## Managing risks and opportunities

We group risks into clusters that can be consolidated into five main categories. In the following overview we describe the main risks in each category, our risk mitigation approach and how we use our strengths to turn these risks into opportunities.

### READ MORE

Our risk categories and response can also be found on

[www.givaudan.com](http://www.givaudan.com) ▶ Our Company ▶ Corporate governance ▶ Risk management

## Strategic risks

We are exposed to a number of strategic risks, including:

- The risk that our business model might become outdated, in particular through digitalisation
- The risk that a new business model emerges in our industry, which we fail to grasp
- The risk of changing consumer preferences both in terms of product preferences and in the way they acquire and experience products and experiences
- The risk that there is a change in the way our customers and suppliers work with us
- The risk posed by our competitors, existing ones as well as new market entrants.

### How we mitigate risks

- We monitor the competitive landscape
- We regularly review our business model and strategy
- We continually engage with our stakeholders, especially with customers and suppliers.

### How we turn risks into opportunities

- We quickly adapt to fast changing environments thanks to our innovative capabilities
- We expand or adjust our strategy to unlock new markets and business opportunities.

## Financial risks

The Group's activities expose it to a variety of financial risks, including market risk (principally currency risk, inflation risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance.

### How we mitigate risks

- We have clearly defined policies in relation to the management of Financial Risks applicable to all Group companies
- We operate centres of expertise at Group level to oversee the execution of the Financial Risk Management Policies
- We maintain a broad network of financing sources, including bank financing as well as debt capital markets in different geographies
- We have close collaboration within the various stakeholders with the Givaudan organisation to ensure the appropriate level of understanding and management of financial risks related to customers
- We use financial derivatives to hedge the Group's key financial risks, most notably Foreign Exchange and Interest Rate Risk.

### How we turn risks into opportunities

- High level of visibility around financial risks facilitates informed and timely decision making
- Investments in technology ensure efficient and well controlled processes in managing financial risks
- Centralised management of financial risks creates the opportunity to assign dedicated expertise in these areas.

### READ MORE

2021 Governance, Compensation and Financial Report ▶ pages 57–67 ▶ Financial risk management

## Sustainability risks

### Climate change / Water scarcity

Climate change may lead to a number of effects which in turn impact our ability to operate or incur increased costs. These may include water scarcity at one or more of our production sites or issues with our supply, in particular the availability of our key natural resources, or the application of GHG taxes.

### How we mitigate risks

- We are committed to excellence in climate action and have built our climate action agenda on ambitious GHG emission reduction targets
- We involve our supply chain in efforts to reduce their GHG emissions
- We find new ways of saving energy to create raw materials to reduce the risk of sufficient supply

- We operate water stewardship programmes to ensure water risks are managed and monitored.

### How we turn risks into opportunities

- We take action across our operations and beyond to decrease our negative impact and align on ambitious climate action agenda
- Implementation of an internal carbon price

## Operational risks

As a company with 79 production sites worldwide, we are subject to a number of operational risks.

### Operations

A breakdown of our operations may threaten our ability to produce and deliver quality products/services at competitive prices on a timely basis. Such breakdown may be caused by internal or external factors, including a pandemic (such as COVID-19) or the consequences of climate change or water stress.

### Disruption of supply chains / suppliers

A disruption in the supply of the raw materials we require for our production or volatility of raw material prices may negatively impact our ability to produce at competitive prices and in a timely manner. Such disruption may be caused by external factors such as a pandemic (COVID-19, for example), climate change or a breakdown at one or more of our suppliers.

### Environment, Health & Safety and operational risk management

If Givaudan should operate in a way that is harmful to the environment and/or causes community nuisance (odour emissions, waste water), this could result in fines, reputational impact or even the loss of the Company's licence to operate.

- We use green chemistry and techniques such as biocatalysis to make products high in purity and yield
- We work on 'side-stream valuation' enabling us to use a larger part of the existing raw material
- We carry out risk assessments to develop water mitigation action plans, including efficiency improvements and water reuse opportunities.

### Information technology risk

In a fast moving digital world, information and communication technologies are critical for Givaudan to address new consumer behaviours and to collaborate with its customers to give them the best experience. However, digitalisation also creates new threats and cyber attacks have become more prevalent the world over.

### How we mitigate risks

- We have instituted a number of processes including structural architectural measures, behavioural measures and business continuity planning
- We monitor and manage supply chain risks arising from raw materials
- Our Environment, Health and Safety (EHS) function regularly carries out comprehensive risk assessments at our production and major commercial sites
- The EHS team is involved from the beginning of projects to support the design of all new building activities
- We continually monitor cyber security risks.

### How we turn risks into opportunities

- We implement a cross-functional risk management process that is integrated with global supply chain management thus enabling us to mitigate raw materials sourcing risks
- We developed visual risk portfolios to show mitigation measures and progress on improvement actions.
- We successfully installed a number of new technologies for environmental protection in the area of odour emissions control.

## Legal, Compliance and Regulatory risks

### Product quality / safety risk

A faulty product or one that is not compliant with regulations or is non-performing could expose Givaudan to consumer health issues, customer complaints, warranty claims, returns and re-runs, product liability claims or litigation and lead to loss of revenues, market share and business reputation.

### Legal and compliance risks

Should our employees, especially key individuals within the organisation (Board members, Executive Committee members, senior management) display or tolerate behaviour that is illegal or unethical, or should our contractual arrangements be inadequate, this could lead to reputational as well as financial damage to Givaudan.

### How we mitigate risks

- We systematically evaluate all ingredients for both human and environmental safety prior to their inclusion in our raw material palette
- Our global IT systems control product formulations in order to ensure that raw materials are used as intended when products are manufactured in our production facilities
- We regularly assess Givaudan's legal and compliance risks at local and global levels and take actions to mitigate these risks in collaboration with the different compliance functions.

### How we turn risks into opportunities

- We have rigorous product safety and quality programmes
- We support, and in many cases lead, industry-wide programmes of the respective industry associations.



# Stakeholder engagement and materiality

## Inclusive stakeholder engagement ensures the success of our Company.

Our activities have an impact that goes far beyond economic results, so we need to align our business performance with the expectations of our stakeholders and with society in general if we wish to be successful in the long run. To achieve this, a deep understanding of the most relevant topics for the different

groups of stakeholders is essential – an understanding that comes only from continued and inclusive engagement with our stakeholders. We also need to recognise external trends and market expectations so we can identify opportunities as well as risks for our business. This increases our transparency and helps build strong relationships.

To gather views, we have identified seven key stakeholder groups from more than 200 organisations, customers, suppliers, employees, investors and shareholders, local communities, public and regulatory agencies and innovators and partners. Every year

### Stakeholder dialogue

**The seven stakeholder groups we identified along with the engagement channels and key topics and concerns raised per stakeholder group:**

1. **Customers**
2. **Suppliers**
3. **Employees**
4. **Investors & shareholders**
5. **Local communities**
6. **Public & regulatory agencies**
7. **Innovators & partners**

### Why we engage

#### 1. Customers

Strong engagement with our customers enables us to understand their needs and anticipate market trends. Through preference discovery platforms and consumer insight programmes we are able to understand and anticipate consumer preferences and adapt to cultural tastes.

#### 2. Suppliers

Our suppliers are genuine partners and we work with them towards mutual value creation: open dialogue secures a pipeline of technological innovation through supplier enabled innovation; and supplier engagement and collaboration ensures our suppliers have high standards in business ethics and respect for people and the environment.

we regularly invite stakeholders to discuss critical issues and strategic priorities, and we create dialogue groups to understand how our business affects them and to determine the most material impacts to be managed. Stakeholder views were considered in the preparation of our purpose and strategy and our materiality assessment for example.

We have developed specific tools to support interaction with the various stakeholder panels at both global and local levels, and we review and evaluate diverse stakeholder engagement initiatives existing across the Company and continuously monitor their

relevance. This inclusive dialogue ensures we increase our positive impact on society and the planet, and continue to deliver new sustainable solutions for our customers that also tackle the most pressing challenges from the industry, society and the environment.

**Creating for happier, healthier lives with love for nature. Let's imagine together.**

How we engage		Key topics & concerns discussed	
<ul style="list-style-type: none"><li>• Customer sustainability requests</li><li>• Audits</li><li>• Customer innovation days</li><li>• Customer and industry conferences and events</li><li>• Key account manager relationships – ongoing dialogue</li></ul>	<ul style="list-style-type: none"><li>• Use of consumer insight programmes for consumer understanding, cultural insights and sensorial decoding</li><li>• Leveraging digital capabilities to enhance insights in consumer trends</li></ul>	<ul style="list-style-type: none"><li>• Climate change</li><li>• Consumer health &amp; wellbeing</li><li>• Governance &amp; business conduct / ethics / transparency</li><li>• Human rights</li><li>• Innovation capabilities &amp; management</li></ul>	<ul style="list-style-type: none"><li>• Product / ingredient environmental &amp; social performance</li><li>• Product quality &amp; safety and ingredient disclosure</li><li>• Responsible sourcing &amp; traceability</li></ul>
<ul style="list-style-type: none"><li>• Assessments</li><li>• Supplier audits</li><li>• Collaborations to improve performance</li><li>• Multi-stakeholder groups</li></ul>	<ul style="list-style-type: none"><li>• Supplier events: capacity building, discussing issues</li><li>• Direct engagement with supplier relationship managers</li></ul>	<ul style="list-style-type: none"><li>• Climate change</li><li>• Human rights</li><li>• Innovation capabilities &amp; management</li></ul>	<ul style="list-style-type: none"><li>• Raw material availability</li><li>• Responsible sourcing and traceability</li></ul>



**Why we engage****How we engage****3. Employees**

We engage with our people to foster an environment of open dialogue to mutually resolve conflicts, to identify development initiatives and innovative ideas that will help drive our business. We cannot achieve our goals without a true sense of unity and a workplace where we all love to be and grow.

- Works Council consultations
- Employee engagement surveys
- Annual performance dialogue
- Talent management processes
- Learning and development opportunities
- Ongoing dialogue with Givaudan Green Teams
- Employee community management platform, Imagine

**4. Investors and shareholders**

Our active dialogue with the capital market ensures transparency and helps us improve our reporting practices. Our relationship with debt investors, banks and credit rating agencies ensures we have funding for investment opportunities.

- Annual General Meeting
- Annual investor conferences and investor road shows
- Briefings with analysts
- Conferences with investors and other financial stakeholders

**5. Local communities**

Open dialogue fosters good relations, and enables us to work together with communities and neighbourhoods on projects and causes that benefit local communities, help protect local ecosystems and support livelihoods.

- Community development programme surveys
- Local site community engagement programmes
- Ongoing dialogue with local authorities and community organisations
- Employees engaged in social activities within the communities in which we operate
- Givaudan Foundation
- Local partners (NGOs or cooperatives) acting as Givaudan agents

**6. Public & regulatory agencies**

Engagement and collective action with external partners is essential in order to inspire and lead by example as a responsible business. Only collective action can influence decisions. We engage with local governments and regulators to understand the changes, their concerns and find mutually beneficial solutions.

- Selected partners we engage with:
- United Nations Global Compact
  - International Fragrance Association (IFRA)
  - International Organization of the Flavor Industry (IOFI)
  - WBCSD
  - AIM-PROGRESS
  - B Lab and B Movement Builders
  - CDP
  - EcoVadis
  - Renewable Carbon Initiative (RCI)
  - Together for Sustainability (TfS)

**7. Innovators and partners**

We engage in innovative partnerships to go beyond our own internal capabilities and seek out the extended possibilities and opportunities that collaboration can bring. This allows us to access the latest trends in innovation, to extend our innovation ecosystem to the global level and to accelerate our efforts in this domain.

- Global network of accelerators and incubators
- Partnerships with innovators, accelerators and with academia
- Plugged into disruptive and digital trends
- Co-creation and co-innovation opportunities

## Key topics & concerns discussed

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>• Diversity, inclusion &amp; people development</li> <li>• Employee health &amp; safety &amp; wellness</li> </ul>   | <ul style="list-style-type: none"> <li>• Governance &amp; business conduct / ethics / transparency</li> <li>• Human rights</li> <li>• Innovation capabilities &amp; management</li> </ul>  |
| <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Diversity, inclusion &amp; people development</li> <li>• Economic performance</li> <li>• Environmental, Social &amp; Governance (ESG) topics</li> </ul>                       | <ul style="list-style-type: none"> <li>• Governance &amp; business conduct / ethics / transparency</li> <li>• Innovation capabilities &amp; management</li> <li>• Raw material availability</li> </ul>                               |
| <ul style="list-style-type: none"> <li>• Biodiversity</li> <li>• Climate change</li> <li>• Diversity, inclusion &amp; people development</li> <li>• Governance &amp; business conduct / Ethics / Transparency</li> <li>• Human rights</li> </ul> | <ul style="list-style-type: none"> <li>• Local community development</li> <li>• Product / ingredient environmental &amp; social performance</li> <li>• Responsible sourcing &amp; traceability</li> </ul>                            |
| <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Environmental, Social &amp; Governance (ESG) topics</li> <li>• Governance &amp; business conduct / Ethics / Transparency</li> <li>• Human rights</li> </ul>                   | <ul style="list-style-type: none"> <li>• Product / ingredient environmental &amp; social performance</li> <li>• Product quality &amp; safety and ingredient disclosure</li> <li>• Responsible sourcing &amp; traceability</li> </ul> |
| <ul style="list-style-type: none"> <li>• Climate change</li> <li>• Consumer health and wellbeing</li> <li>• Innovation capabilities &amp; management</li> </ul>  | <ul style="list-style-type: none"> <li>• Product / ingredient environmental &amp; social performance</li> <li>• Product quality &amp; safety and ingredient disclosure</li> </ul>  |

## B CORP CERTIFICATION

### On a journey to B Corp certification

We have started our long-term journey to become a certified B Corporation and be part of a global movement to build a 'B economy' that shares value among everyone.

We want to make our mark by being a business acting as a force for good, successfully balancing people, planet and profit. This means growing our Company and balancing it with a positive impact on society and our planet, joining more than 4,000 B Corps in over 70 countries and 150 industries.

We will do this through the engagement and involvement of all employees and stakeholders, and by having authentic leaders who take decisions that benefit everyone involved and inspire by example.

B Corp certification will measure Givaudan's entire social and environmental performance and provide independent verification that we live up to our purpose. We have committed to the B Corp Declaration of Interdependence and we are a founder member of the B Movement Builders, a coalition of leading multinational companies taking meaningful action to change our economic system.

"We've started the preliminary assessment to understand where we are today," says Anna, our new Head of B Corp certification. "Over the coming months we will prioritise

what we need to do to move forward and develop a roadmap that brings in our functions and sites in the best possible way."



#### READ MORE

Discussion between Willem Mutsaerts, Head of Global Procurement and Sustainability, and Anna Segura, Head of B Corp Certification, GRI sustainability report ▶ page 5

Collaboration and transparency

Collaboration is essential to delivering on our bold ambitions and promoting transparency. Our external partnerships and initiatives span the entire ESG spectrum, helping us accelerate our progress. Central to these is our B Corp journey which will be the independently verified proof we are living up to the highest standards of being a successful, sustainable business.

Commitments / Calls to action

What we want to achieve



Memberships and collaborations

With whom we partner to achieve our commitments



Reporting

How we communicate about our progress



Assessments / Ratings

External evaluation of our performance





## Defining our material topics and reporting boundaries

Stakeholder engagement lays out the basis for our materiality assessment, and we have many channels for dialogue spread across different departments and teams; this also includes the information and feedback we receive during the ordinary course of business. Our materiality assessment helps to align our business with the expectations of our stakeholders and with society in general. We use the Givaudan materiality assessment to prioritise aspects identified as being of most concern to our customers and other key stakeholders.

The matrix is reviewed through discussions with the main stakeholders and we aim to conduct regular comprehensive assessments of surveys and interviews.

We refreshed our materiality assessment in 2021 using desk research and proxy exercises. We drew upon a review of peers, ESG reporting frameworks as well as ratings and trends that allowed us to take into account the context of broader





























































sustainability discussions and lengthen our previous list of material topics into a long-list of potentially relevant topics. We then clustered overlapping topics and assessed their importance, taking potential impacts, risks and opportunities as well as significance for our business into account. This resulted in a reduced list of material topics. The short-listed topics were then discussed and ranked in detail through internal workshops with our Sustainability Leadership Team.

The new materiality list was validated by our Executive Committee and is reflected in our updated materiality matrix of 15 topics. Over the next two years, we plan to validate the list of material topics using direct feedback from external stakeholders.

### READ MORE

On the detailed elaboration of our materiality assessment  
2021 GRI Sustainability Report ▶ pages 14–17

## 2021 materiality list

	Creations	Nature	People	Communities
Biodiversity				
Climate Change				
Consumer Health & Wellbeing				
Diversity, Inclusion & Human Capital Development				
Employee Health & Safety & Wellness				
Governance & Business Conduct / ethic / transparency				
Human Rights				
Innovation Capabilities & Management				
Local Community Development				
Product / Ingredient Environmental & Social Performance				
Product Quality & Safety and Ingredient Disclosure				
Raw Materials Availability				
Responsible Sourcing & Traceability				
Waste Management & Circular Principles				
Water Stewardship				

Even though purely financial issues have been excluded in our materiality update, we still report on the topic "Economic performance", which we consider fundamental to our social licence to operate and to our efforts to be a good corporate citizen, by using GRI 201: Economic Performance.





# FINANCIAL VALUE CREATION





<b>Business performance</b>	<b>40</b>
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# Business performance – Group

## Excellent financial performance

### 2020 guidance delivered

As the COVID-19 pandemic continued to have an impact on a global level, Givaudan sustained good business momentum whilst maintaining its operations and global supply chain at a high level, despite ongoing challenges in certain parts of the supply chain. The strong sales growth was achieved across all product segments and geographies, with the mature markets growing at 6.3% and the high growth markets at 8.3% on a like-for-like basis. In Fragrance & Beauty the product segments most affected in the first phases of the COVID-19 pandemic, namely Fine Fragrances and to a lesser extent Active Beauty, delivered excellent double-digit growth in 2021, demonstrating strong consumer demand for these product categories. In Taste & Wellbeing, there was excellent sales growth in the beverage, savoury and snacks categories, as well as in the strategic focus areas of plant-based proteins, health and wellness and naturals. In addition, there was a progressive recovery in the foodservice segment, as restrictions in relation to out-of-home food and beverage consumption started to be eased in certain markets.

With higher input costs in 2022, the company is implementing price increases in collaboration with its customers to fully compensate for the increases in input costs.

#### Group sales

Givaudan Group full year sales were CHF 6,684 million, an increase of 7.1% on a like-for-like basis and 5.7% in Swiss francs when compared to 2020.

**7.1%**

**Sales growth (like-for-like)**

#### Gross margin

The gross profit increased by 7.4% from CHF 2,659 million in 2020 to CHF 2,855 million in 2021.

Due to the operating leverage related to the strong sales volume growth and continued cost discipline, the gross margin increased to 42.7% in 2021 compared to 42.1% in 2020.

#### Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)

The EBITDA increased by 6.0% to CHF 1,482 million in 2021 compared to CHF 1,397 million in 2020, whilst the EBITDA margin was 22.2% in 2021 compared to 22.1% in 2020. On a comparable basis, the EBITDA margin was 22.5% in 2021 compared to 22.8% in 2020.

#### Operating income

The operating income was CHF 1,089 million compared to CHF 996 million, an increase of 9.3% versus 2020. The operating margin was 16.3% in 2021 compared to 15.8% in 2020.

#### Financial performance

Financing costs in 2021 were CHF 94 million versus CHF 86 million in 2020, largely related to the increase in the net debt of the Group in connection with the acquisitions that the Group has made. Other financial expense, net of income, was CHF 30 million in 2021 compared with CHF 34 million in 2020.

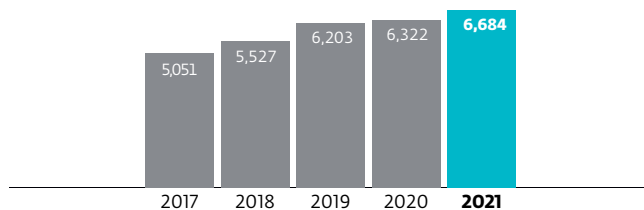
The income tax expense as a percentage of income before taxes was 15%, compared to 15% in 2020.

#### Net income

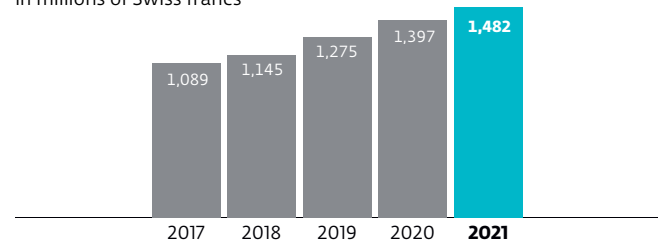
The net income was CHF 821 million in 2021 compared to CHF 743 million in 2020, an increase of 10.5%, resulting in a net profit margin of 12.3% versus 11.8% in 2020. Basic earnings per share were CHF 89.03 compared to CHF 80.59 for the same period in 2020.

**Group – Sales**

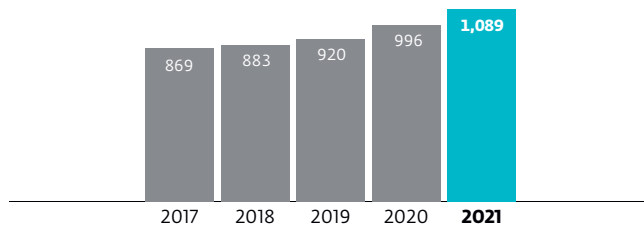
in millions of Swiss francs

**Group – EBITDA**

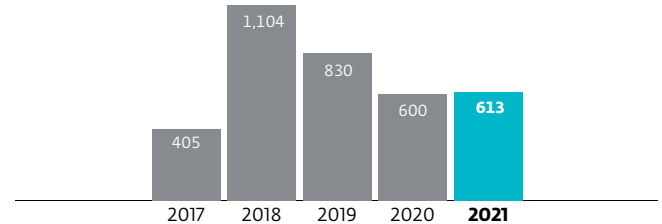
in millions of Swiss francs

**Group – Operating income**

in millions of Swiss francs

**Group – Total gross investments**

in millions of Swiss francs



“ I am very pleased with the successful start that we have made into our 2025 strategic cycle, with all parts of our business and our strategic focus areas contributing to the strong financial results that we have achieved in 2021. ”

Gilles Andrier, CEO

**Cash flow**

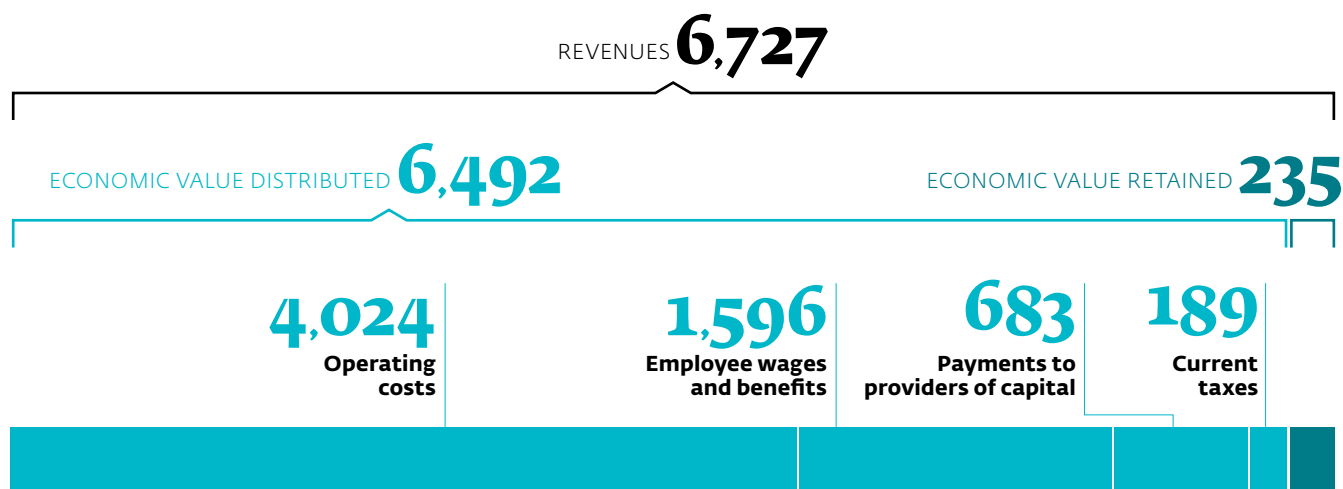
Givaudan delivered an operating cash flow of CHF 1,288 million in 2021, compared to CHF 1,189 million in 2020.

Net working capital as a percentage of sales was 24.0%, compared to 24.4% in 2020.

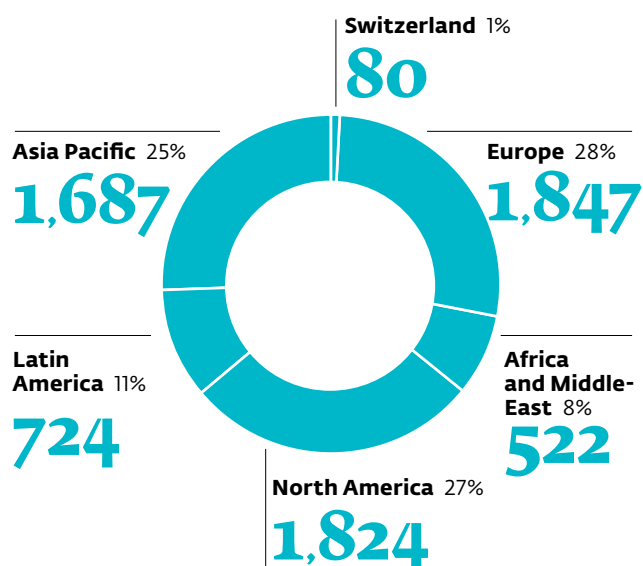
Total net investments in property, plant and equipment were CHF 177 million, compared to CHF 180 million in 2020, as the Group continues to invest in expanding its capabilities in high growth markets.

Intangible asset additions were CHF 70 million in 2021, compared to CHF 37 million in 2020 as the Company continued to invest in its IT platform capabilities, including those related to the integration of the acquisitions that the Group has made.

### Direct economic value generated and distributed in millions of Swiss francs



### Group sales per region in millions of Swiss francs



Total net investments in tangible and intangible assets were 3.7% of sales in 2021, compared to 3.4% in 2020.

Operating cash flow after net investments was CHF 1,041 million in 2021, versus CHF 972 million in 2020. Free cash flow was CHF 84 million in 2021, versus CHF 811 million for the comparable period in 2020. As a percentage of sales, free cash flow in 2021 was 12.6%, compared to 12.8% in 2020.

### Financial position

Givaudan's financial position remained solid at the end of the year. Net debt at December 2021 was CHF 4,394 million, compared to CHF 4,040 million at December 2020, with the increase driven by the acquisitions of DDW and Custom Essence. At the end of December 2021 the leverage ratio was 51%, compared to 50% at the end of 2020. The net debt to EBITDA ratio was 2.97, compared to 2.89 at December 2020.

### Value added statement

The value added is defined as the value created by the activities of our business and its employees. Givaudan's economic value retained of CHF 235 million is the revenue of CHF 6,727 generated less the economic value of CHF 6,492 distributed to stakeholders through operating costs, employee wages and benefits, payments to providers of capitals and taxes.



## Sales performance

in millions of Swiss francs	2020 Sales as reported	like-for-like development	2021 Sales like-for-like	Change % on like-for-like basis	Acquisition impact (net)	Currency effects	2021 Sales as reported	Change % in Swiss francs
<b>Group</b>	<b>6,322</b>	<b>452</b>	<b>6,774</b>	<b>7.1%</b>	<b>(12)</b>	<b>(78)</b>	<b>6,684</b>	<b>5.7%</b>
- Fragrances & Beauty	2,924	194	3,118	6.6%	10	(37)	3,091	5.8%
- Taste & Wellbeing	3,398	258	3,656	7.6%	(22)	(41)	3,593	5.7%

## Sales per region

in millions of Swiss francs	Fragrances & Beauty sales <sup>1</sup>		Taste & Wellbeing sales <sup>1</sup>		Group sales <sup>1</sup>	
	2021	2020	2021	2020	2021	2020
Switzerland	47	35	33	33	80	68
Europe	977	882	870	833	1,847	1,715
Africa and Middle-East	273	255	249	240	522	495
North America	627	618	1,197	1,150	1,824	1,768
Latin America	370	359	354	315	724	674
Asia Pacific	797	775	890	827	1,687	1,602
<b>Total geographical segments</b>	<b>3,091</b>	<b>2,924</b>	<b>3,593</b>	<b>3,398</b>	<b>6,684</b>	<b>6,322</b>

1. Sales are revenues from external customers and are shown by destination.

## Our mid and long term ambitions

Over the next five years, we will continue to deliver sustainable value creation that benefits all. Our 2025 strategy, 'Committed to Growth, with Purpose', is our intention to deliver growth in partnership with our customers, through creating inspiring products for happier, healthier lives and having a positive impact on nature, people and communities.

Ambitious financial targets remain central to this roadmap, along with the addition of purpose linked targets to show the progress we want to make towards our longer term purpose ambitions. Over the next five years, we aim to deliver:

- Average organic sales growth of 4.5% on a like-for-like basis
- Average free cash flow of at least 12%
- Purpose linked targets.

Our bold and ambitious long-term purpose goals are set in four domains, namely creations, nature, people and communities. Our ambitions include doubling its business through creations that contribute to happier, healthier lives by 2030, becoming climate positive before 2050, becoming a leading employer for inclusion before 2025 and sourcing all materials and services in a way that protects the environment and people by 2030.

## Outlook

Visibility remains short due to ongoing impacts related to the COVID-19 pandemic, however, we have consistently shown our resilience and we remain confident in our portfolio, our creative strengths and our strong start to the 2025 strategic cycle. Our business is a systemically important part of the overall food and consumer products value chain.

From the onset of the COVID-19 crisis and in line with our purpose, we will continue to be strongly focussed on protecting and supporting our employees, on maintaining operations and supply chain performance at high levels to meet the demands of our customers, and taking care of the communities in which we operate.

### READ MORE

Key figures and Consolidated financial statements ► pages 134–141

The full Financial Report can be found in our 2021 Governance, Compensation and Financial Report ► pages 40–125

# Business performance

## Taste & Wellbeing

### Sales

Taste & Wellbeing sales were CHF 3,593 million, an increase of 7.6% on a like-for-like basis and an increase of 5.7% in Swiss francs.

The strong sales performance was driven by new wins and good business momentum across all regions and customer groups. Whilst the sales performance was still impacted by the COVID-19 pandemic across many countries, there was a continuing recovery from the second quarter of 2021, as increasing vaccination rates and progressive reopening resulted in a higher demand for foodservice products, which had been the most impacted business area in 2020.

In the key strategic focus areas, sales increased double-digit in plant-based proteins and high single-digit in health and wellness and naturals.

From a segment perspective, the strong sales performance was achieved across all segments and mainly by beverages, savoury and snacks.

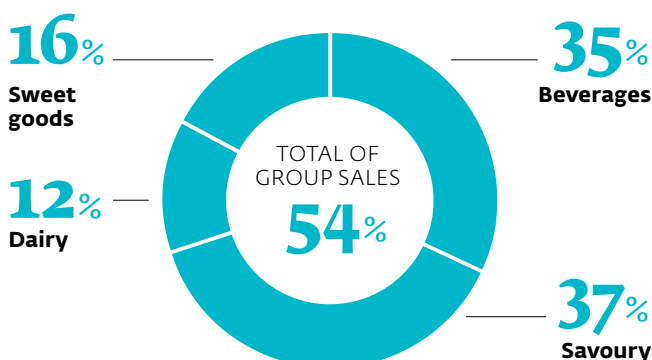
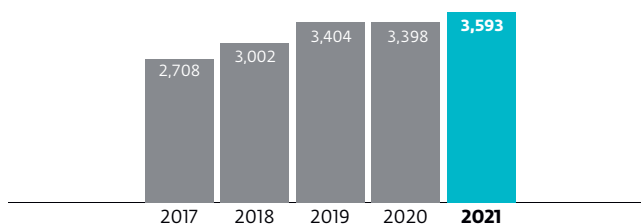
The EBITDA of Taste & Wellbeing increased to CHF 786 million from CHF 720 million in 2020, an increase of 9.2% compared to 2020, with good operating leverage and continuing cost discipline contributing to the increase. The EBITDA margin increased to 21.9% in 2021, from 21.2% in 2020. On a comparable basis the EBITDA margin of Taste & Wellbeing improved to 22.4% in 2021 compared to 22.1% in 2020.

The operating income increased to CHF 542 million in 2021 from CHF 460 million in 2020, an increase of 17.8%. The operating margin increased to 15.1% in 2021 compared to 13.5% in 2020.

**7.6%**

**Sales growth (like-for-like)**

**Taste & Wellbeing – Sales**  
in millions of Swiss francs



### Asia Pacific

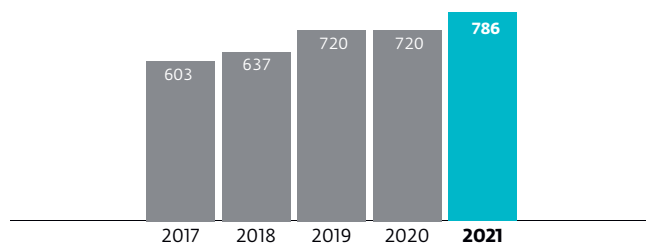
Sales in Asia Pacific increased by 7.4% on a like-for-like basis. In the high growth markets, China and Malaysia delivered strong double-digit performance, followed by solid single-digit growth in Indonesia and Vietnam. In the mature markets, the growth was driven by Singapore, Australia and Korea.

From a segment perspective the growth was achieved mainly in beverages, dairy, snacks and savoury.

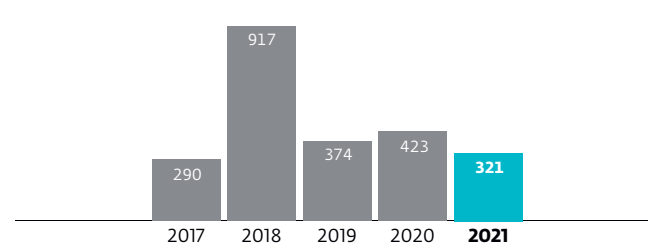
### South Asia, Africa and Middle East (SAMEA)

Sales in South Asia, Africa and the Middle East increased by 6.1% on a like-for-like basis. Double-digit growth was achieved in India, Cameroon and Nigeria. Egypt and South Africa, which were still heavily impacted by the COVID-19 pandemic, showed mid to high single-digit performance.

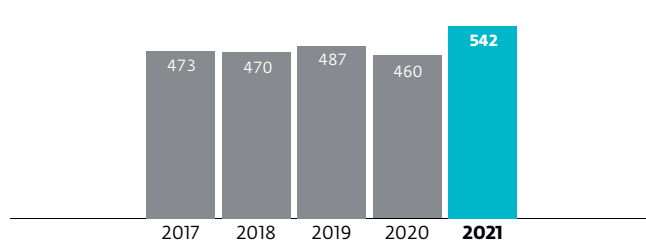
**Taste & Wellbeing – EBITDA**  
in millions of Swiss francs



**Taste & Wellbeing – Total gross investments**  
in millions of Swiss francs



**Taste & Wellbeing – Operating income**  
in millions of Swiss francs



The sales growth of the region was driven by the beverages, dairy and snack segments.

## Europe

Sales in Europe increased by 6.3% on a like-for-like basis. The mature markets of Italy and Ireland achieved double-digit growth followed mid to high single-digit growth in Germany, Belgium and Spain. In the high growth markets there was excellent business momentum driven by double-digit growth in Russia and Poland.

From a segment perspective, the growth was mainly achieved in beverages, sweet goods, savoury and snacks.

## North America

On a like-for-like basis, sales in North America increased by 5.8%, driven by strong performance in the Beverages and Savoury

segments. The performance was a result of new wins, a rebound in Foodservice and the growth of existing business in Beverages, immunity products, Savoury, and Sweet Goods.

## Latin America

Sales in Latin America increased 19.3% on a like-for-like basis, led by strong double-digit volume growth in Mexico, Brazil, Colombia, Chile and Argentina, and across all segments.

The Group has aligned the reporting of the regional performance of Givaudan Taste & Wellbeing with changes in the management structure of the business, effective 1 January 2021. For information, the comparable growth for 2020 for South Asia, Africa and the Middle East was 0.7% and for Europe 1.6% respectively.



# Business performance

## Fragrance & Beauty

### Sales

Fragrance & Beauty sales were CHF 3,091 million, an increase of 6.6% on a like-for-like basis and 5.8% in Swiss francs. This sales growth was mainly driven by the rebound of the Fine Fragrances and Active Beauty businesses which were particularly impacted by the COVID-19 pandemic in 2020.

Total sales for Fragrance Compounds (Fine Fragrances and Consumer Products combined) increased by 5.5% on a like-for-like basis. In Swiss francs, sales of compounds increased to CHF 2,640 million from CHF 2,529 million in 2020.

Fine Fragrances sales increased by 22.5% on a like-for-like basis against a comparable sales decline of 6.0% in the prior year. After the significant negative impact of the COVID-19 pandemic in 2020, sales rebounded across all regions and customer groups, driven by the high performance of existing business and by a significant level of new wins.

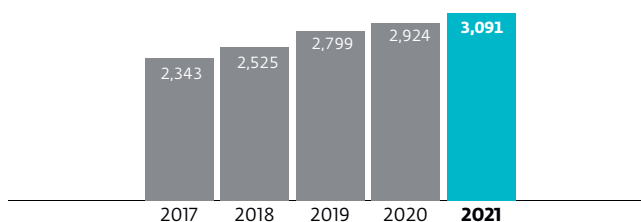
Consumer Products sales increased by 1.5% on a like-for-like basis against a strong comparable growth of 9.1% in 2020, which was driven by an increased demand for household, health and personal care products related to the COVID-19 pandemic. The sales growth in 2021 was achieved mainly in the high growth markets and across all customer groups.

Sales of Fragrance Ingredients and Active Beauty increased by 14.2% on a like-for-like basis, with strong double-digit growth in Active Beauty and a strong single-digit growth in Fragrance Ingredients.

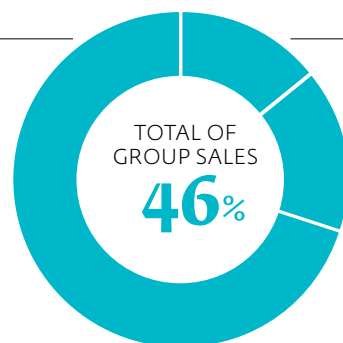
# 6.6%

Sales growth (like-for-like)

Fragrance & Beauty – Sales  
in millions of Swiss francs



67%  
Consumer  
Products



14%  
Fragrance  
Ingredients  
and Active  
Beauty

19%  
Fine  
Fragrances

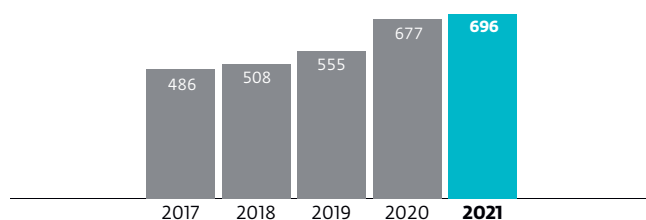
The EBITDA of Fragrance & Beauty increased to CHF 696 million in 2021 compared to CHF 677 million in 2020, an increase of 2.7%. The increase was mainly driven by higher sales and the contribution of the recent acquisitions in terms of growth and synergies, offset by increased pressure on supply chain costs across the business.

The EBITDA margin was 22.5% in 2021 compared to 23.2% in 2020. On a comparable basis the EBITDA margin of Fragrance & Beauty was 22.6% in 2021 compared to 23.6% in 2020.

The operating income increased to CHF 547 million in 2021 versus CHF 536 million for the same period in 2020. The operating margin was 17.7% in 2021 compared to 18.4% in 2020.

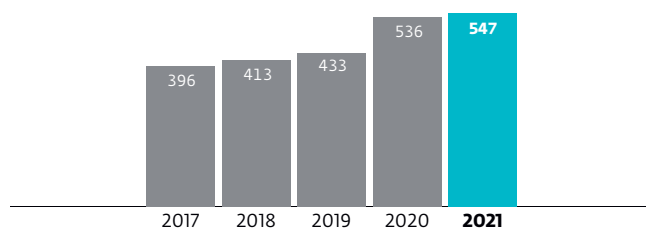
### Fragrance & Beauty – EBITDA

in millions of Swiss francs



### Fragrance & Beauty – Operating income

in millions of Swiss francs



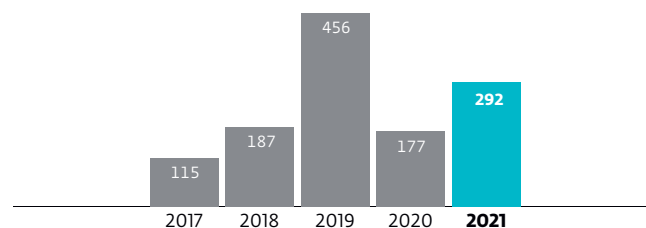
## Fine Fragrances

Fine Fragrances sales increased by 22.5% on a like-for-like basis compared with a decline of 6.0% in the previous year. After the significant negative impact of the COVID-19 pandemic in 2020, sales rebounded across all regions and customer groups driven by the high performance of existing business and by a significant level of new wins.

All regions delivered strong sales performance with both mature and high growth markets delivering double-digit sales growth. The Western Europe and Middle East regions had the most significant results with both recording strong double-digit sales growth. All customer groups contributed to the excellent results, with local and regional, as well as customers of prestige brands recording double-digit growth.

### Fragrance & Beauty – Total gross investments

in millions of Swiss francs



## Consumer Products

Consumer Products sales increased by 1.5% on a like-for-like basis against a strong comparable growth of 9.1% in 2020, which was driven by an increased demand for household, health and personal care products related to the COVID-19 pandemic. The sales growth in 2021 was delivered mainly in high growth markets and across all customer groups.

On a regional basis, Latin America reported double-digit sales growth spread across most sub-regions and led by international customers. In Asia, the sales growth was driven by local and regional customers, with China delivering high single-digit growth. Europe, Africa and the Middle East sales were flat versus a high prior year comparable, whilst sales in North America declined slightly, also against double-digit comparable growth in 2020.

On a product segment basis, the sales growth was led by Fabric Care followed by Personal Care.

## Fragrance Ingredients and Active Beauty

Sales of Fragrance Ingredients and Active Beauty increased by 14.2% on a like-for-like basis.

Active Beauty saw a very strong rebound in 2021 and reported strong double-digit growth in both high growth and mature markets, most notably driven by the strong double-digit performance of the premium active ingredients. Fragrance Ingredients delivered a strong single-digit growth in 2021.

# A sustainable investment case

We continue to demonstrate the resilience and efficiency of our natural hedges across geographies, customer types and product categories. As unique co-creations with our customers, our products are supported by consumer insights and diversified exposure to all regions and customer segments. This broad portfolio of products, geographies and customers provides a natural hedge to offer opportunities for consistent growth.

With the highest standards of a responsible business, we will continue on our path of sustainable value creation for all stakeholders, driven by our purpose to do things differently, push ourselves to go further and contribute to tackling society's big challenges. We invest for the future, committed to growth for people, planet and profit.

## Sharing value with our shareholders

Since the Company's IPO in 2000, we have created over CHF 35 billion of total shareholder return, with an average annual yield of 13.3% compared with 4.1% for the SMI Index in the Swiss market. The dividend has risen year on year, reflecting our commitment to returning cash to shareholders.

At the end of 2021, Givaudan had approximately 37,837 registered shareholders owning 61% of the capital. The top 20 registered and non-registered shareholders owned 46% of the capital. Swiss and US shareholders held approximately 57% of all shares.

Givaudan's free cash flow at the end of 2021 was CHF 843 million. At the Annual General Meeting on 24 March 2022, the Board of Directors will propose a cash dividend of CHF 66.00 per share for the financial year 2020, an increase of 3.1% compared to the previous year. If approved, this will be the 21<sup>st</sup> consecutive dividend increase following Givaudan's listing on the Swiss stock exchange.

## Givaudan as a highly-rated sustainable investment

We are committed to being a successful, sustainable business and strive to be a force for good. Part of this commitment is to be a company that balances profit with purpose, and we aim for a growth in our business that also has a positive impact on people and the planet. Working hand-in-hand with our customers, we respond to changing consumer needs for products that support health and wellbeing yet also meet their sustainability expectations and demand for greater transparency.

We feel that business can, and should, play its part to help address challenges such as the climate crisis, inequality and economic uncertainty. We support the UN Sustainable Development Goals and focus our efforts on those goals to which we can contribute the most. We want to lead by example as a responsible business and are a member of the B Movement Builders to engage for change with other purpose-driven publicly traded businesses.

Our work in sustainability and ESG has been widely recognised externally. This includes our ESG risk rating by Sustainalytics which categorised the business as low-risk and amongst industry leaders with a ranking of 13 out of 480. It also includes CDP double A rating for the third consecutive year for leadership in climate action and water stewardship, a gold EcoVadis medal, inclusion in the SXI Swiss Sustainability 25 index, inclusion in FTSE4Good Index Series ranking us in top 2% performers among peers, and in MSCI ESG AAA rating since 2017.

## Our dialogue with the capital market

We offer timely and responsible information to ensure transparency and continuously raise awareness about our Company. To help achieve this and to meet existing and potential shareholders, roadshows and conferences are held by members of

## Key share figures

For the year ended 31 December. In Swiss francs except for number of shares	2021	2020	2019	2018	2017
Market capitalisation (in millions)	44,247	34,441	27,987	21,016	20,794
Number of issued shares	9,233,586	9,233,586	9,233,586	9,233,586	9,233,586
Share price as at last trading day	4,792	3,730	3,031	2,276	2,252
Share price, highest	4,830	4,075	3,052	2,478	2,289
Share price, lowest	3,405	2,681	2,285	2,087	1,716
Earnings per share – basic (CHF)	89.03	80.59	76.17	71.92	78.18
Total shareholder return (in %) <sup>1</sup>	30.19	25.11	35.81	3.64	23.69

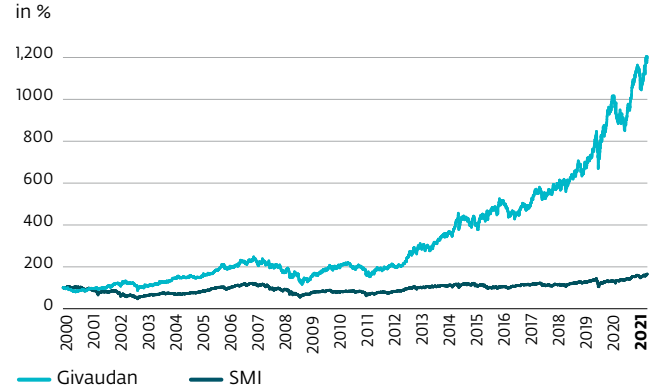
1. Definition can be found in the glossary, page 169.



“ Far from being a burden, there’s a clear financial and commercial advantage to being sustainable – allowing us to ensure our continued market position and staying relevant to customers and consumers in the future. By doing good we will do well. ”

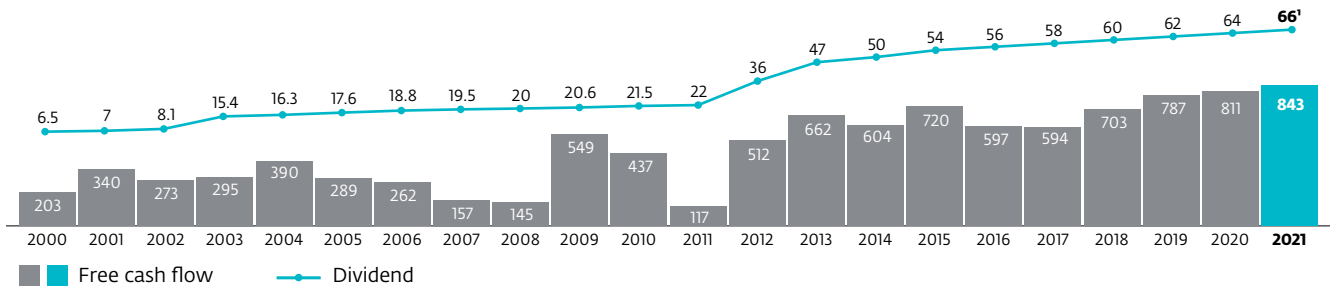
Tom Hallam, CFO

#### Share price development



#### Dividend per share and free cash flow

in Swiss francs | in millions of Swiss francs



1. Subject to shareholder approval at the AGM on 24 March 2022.

our Executive Committee together with our Investor Relations team during the year. In the continued context of the COVID-19 pandemic, our interactions with market players continue to be strong, whilst remaining largely virtual through videoconferences and webcasts. During 2021, we organised two earning conference calls and three Group conferences – one fully in-person attendance ("Naturality" Designing nature conscious Fragrances), one fully virtual (Committed to Growth, with Purpose – our approach to ESG) and one hybrid event (Delivering Food Experiences through our Nutrition, Health and Sense offering). These five events attracted 800 participants. In addition, through broker conferences, road shows and investor calls and meetings, we touched over 1,874 investors around the world which contributed to improved awareness about Givaudan.

#### How the market views us

Currently 26 financial analysts regularly report on our Company. The latest forecast and recommendations can be found online at [www.givaudan.com](http://www.givaudan.com) – investors – analysts coverage and consensus. This information is for reference only.

#### Our credit ratings

Our credit ratings confirm our Company's market leadership position and strong financial profile. In 2021 our ratings were:

**S&P global ratings:** A- credit rating, with a stable outlook.

**Moody's investors Service:** Baa1 rating, with a stable outlook.

#### READ MORE

For the list of events: [www.givaudan.com](http://www.givaudan.com) ▶ Investors ▶ Investor events



ACTING  
AS A FORCE  
FOR GOOD



OUR PURPOSE IMPACT

**Creations** 53

**Nature** 70

**People** 88

**Communities** 100

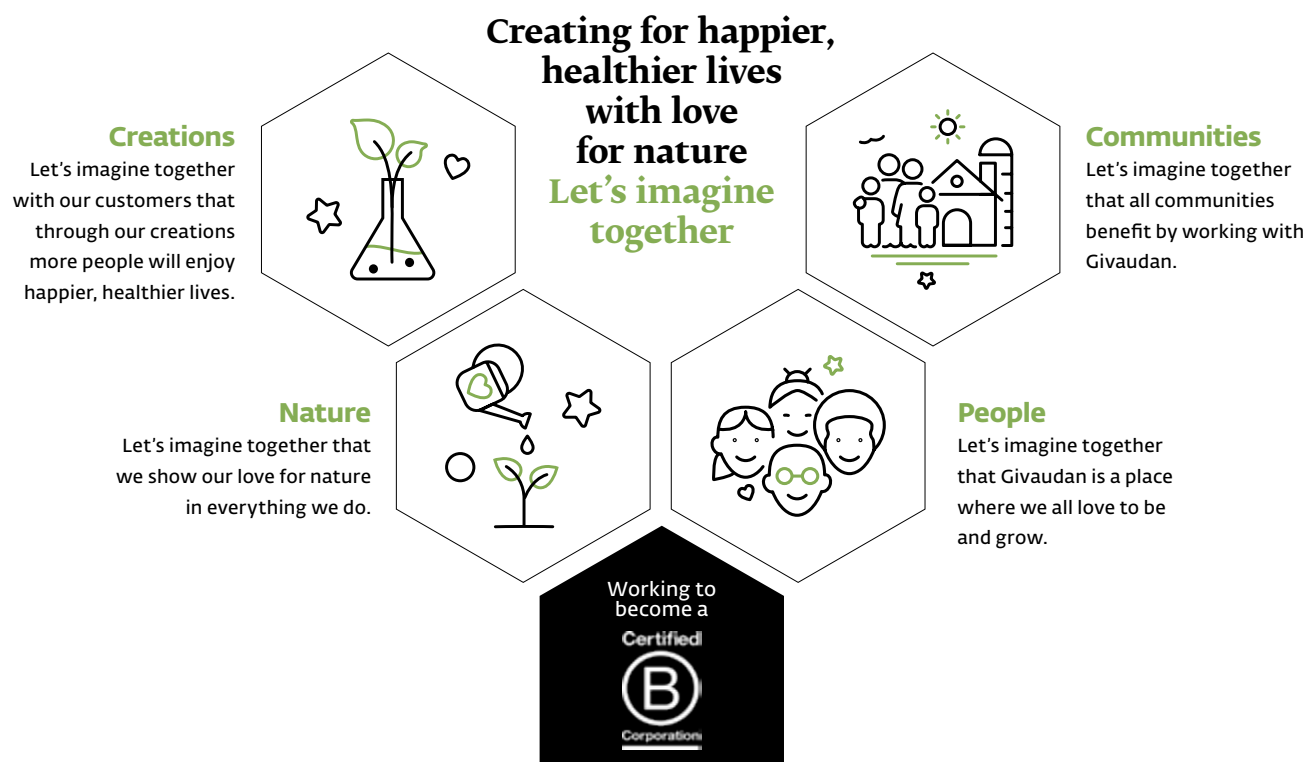


# Our purpose

## Driving sustainable growth and value creation.

Our long-term goals have been defined under four pillars in our purpose – creations, nature, people and communities – against which we can measure our progress and impact. The growth enablers of our 2025 strategy enable us to make progress in each of these purpose goals.

Sustainability is thus fully embedded in all aspects of our business.



Working towards sustainable development



# CREATIONS

Our purpose goal 'that through our creations more people will enjoy happier, healthier lives', contributes to the following SDGs:



## IN THIS CHAPTER

Creating value for our customers	54
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# Creating value for our customers

## OUR AMBITION

By 2030, we will double our business through creations that contribute to happier, healthier lives.

Focus area	Target	Status 2021	Actions and measures
<b>Creations</b>			
<b>Sales</b>	Average organic sales growth of <b>4–5%</b> on a like for like basis between <b>2021–2025</b>	<b>7.1%</b>	<ul style="list-style-type: none"><li>• Focusing on our strategic growth drivers</li><li>• Focusing on renewable, biodegradable and viable natural solutions</li><li>• Addressing health and wellbeing issues</li><li>• Expanding our portfolio</li></ul>
<b>Free cash flow</b>	Average free cash flow of <b>at least 12%</b> between <b>2021–2025</b>	<b>12.6%</b>	<ul style="list-style-type: none"><li>• Greater collaboration and co-creation</li><li>• Exploiting AI and digital opportunities</li><li>• Increasing operational efficiencies</li></ul>

‘Creating’ is the very first word in our purpose statement. ‘Creating’ defines who we are and what we do, and ‘for happier, healthier lives’ perfectly sums up what our products deliver.

Together with our customers, we create products that delight consumers and contribute to their overall wellbeing. Our ambition is that through our creations more people will enjoy happier, healthier lives. And that through these creations, we will double our business by 2030.

## TASTE & WELLBEING

### How we help our customers meet the needs of consumers

#### Strengthening our best-in-class product offering to create Food Experiences that consumers love

Consumers have varying needs when it comes to food, depending on where they live, their income, their culture and many other factors. Givaudan’s expanded portfolio and market-leading position mean we provide solutions across all consumer needs. Our offering is right at the heart of what consumers want and enables consumer choice. It integrates Givaudan’s purpose commitments at every level.

Through our leadership position in taste and our expanded portfolio in the sense, nutrition and health areas, we collaborate with customers and partners to develop game-changing innovations in food and beverages.

## Contribution to food systems transformation

We recognise the urgent need to transform the food system to be regenerative and equitable, and provide safe, healthy and nutritious food for all. Our expanded portfolio, along with our deep knowledge of the food ecosystem, enables us to drive positive change and contributes to this transformation.

The first-ever Food Systems Summit was convened in September 2021 by the UN. Our Company participated in a number of the CEO consultations in the lead-up to the summit and we were proud to be a signatory to the ‘Business Declaration for Food Systems Transformation’, highlighting our ambition to scale investments, enhance collaborations and ensure that we are part of the solution during this decade of action.

We also became a signatory to the European Union Code of Conduct on Responsible Food Business and Marketing Practices.

**We recognise the urgent need to transform the food system to be regenerative and equitable, and provide safe, healthy and nutritious food for all.**



**Our value proposition is to go beyond great taste to create food experiences that do good and feel good for body, mind and planet.**

While we directly or indirectly contribute in many ways to the transformation of food systems, we believe we can be most impactful specifically in the following four areas: Firstly, we contribute to the shift towards more mindful and planet-friendly diets by offering more diverse food options and plant-based food experiences through our Plant Attitude portfolio. We also enable consumers to choose more nutritious food by improving the nutritional profile of our customers' products – for example, by adding more essential nutrients and removing undesirable ingredients such as sugar, salt or fat. In addition, we help consumers achieve their wellbeing goals by offering products that deliver intuitive and clinically proven health benefits with our botanical extracts and bioactive ingredients. And we also drive responsible supply across the entire value chain through our Sourcing4Good programme.

We recognise that a multi-stakeholder approach is essential. Our long-standing culture of collaboration and co-creation with customers and other partners, such as academia, start-ups, suppliers and others, enables us to innovate and develop ground-breaking solutions to drive positive change.

### **Digitalisation for positive change**

Digitalisation is bringing many positive changes in the food and beverages sector. For example, artificial intelligence is pivotal in helping the industry to meet fast-evolving consumer demands. Digital tools have huge potential, from allowing us to engage more meaningfully with customers to gaining better consumer understanding and speeding up development processes and production.

One example is Aroma Kiosk, launched in 2021. This ground-breaking new digital tool can be used in real-life environments such as grocery stores to gather valuable customer insights and recommend products in real time. Artificial intelligence uses the data gathered to improve product design in co-creation with customers. The Aroma Kiosk is a game changer that allows us

### **R&D spend**

CHF **562** million, **8.4%** of sales

to crowdsource information on consumer preferences quickly, across many different demographics.

### **FRAGRANCE & BEAUTY**

#### **Leading with creativity and passion**

In the past two years, our Fragrance & Beauty business has heard a resounding call for meaningful innovations that help our customers respond to consumers' wishes – not just for improved physical experiences, but for tangible sensations that can uplift lives.

As the creative leader in the fragrance industry, we synergistically bring together creativity and science to push industry limits. This requires us to keep our fingers on the pulse and stay abreast of rapidly evolving consumer preferences and industry trends.

By combining our inventiveness and insights with the latest technologies, we continue to challenge ourselves to push boundaries and set the bar for the industry. We aim to be the partner of choice to work with our customers. Together, our vision inspires new and superior products that meet customers' needs, are loved by consumers and are good for our planet.

### **Pushing boundaries and raising the bar**

Throughout 2021, we delivered ground-breaking products in biotechnology, beauty, delivery systems and naturals, staying in tune with consumers' needs. This was made possible by mergers and acquisitions, digitalisation, operational efficiencies and a people-first culture at a time when it mattered most.

**Our ambition is to become the creative partner of choice not only in personal, fabric, hygiene and home care, but also in fine fragrance and beauty overall.**

## It is important for us to grow together with our customers in a sustainable manner

Guiding us in our bid to innovate responsibly are our FiveCarbon Path™ principles and newly launched Naturality Index™ – a one-of-a-kind assessment tool that allows perfumers to factor in the environmental impact of their ingredient selection, bringing a new differentiating dimension to the creative process. The tool assesses ingredients and formulas against a number of measures that affect fragrance sustainability, such as biodegradability, GHG emissions, renewability and sourcing. In addition, in 2021 we developed an industry-leading mobile lab that will travel to sources of supply to generate new ingredients: the Blossom Lab™ is now being used to design the future of our Naturals at Origin.



Contributing to the United Nations Sustainable Development Goals (SDG)



Our focus on high growth regions including Asia and Latin America brought about operational efficiencies through the volume transfer to our site in Changzhou, China, and the extension of our site in Pedro Escobedo, Mexico.

Also in China, we forged a digital partnership with Alibaba – a step forward in our commitment to drive digital innovation across the fragrance industry. Such initiatives are key to expand and deepen strategic relationships with suppliers, start-ups and partners while enhancing collaboration and co-creation with customers to develop innovative solutions for the future.

## Our science and technology capabilities provide a solid foundation to solve the most pertinent challenges.

Throughout 2021 Fragrance & Beauty focussed on enhancing digital capabilities internally, through partnerships, and via acquisitions such as Myrissi. With the pandemic still top of mind, we developed new technologies to help mitigate its impacts: one example is our Active Beauty product Masknyl™, an active ingredient able to counteract the redness, inflammation and hyperpigmentation from mask wearing.

## With love for nature

Equally important to us is the work we do to improve our business practices for the good of nature, people and the planet. This extends to caring for animals, and one such milestone that we are proud of is our partnership with BASF which has led to the launch of the world's first toxicology testing strategy without animal testing.

Across our portfolio in the past year, we have found ways to expand existing product offerings through technologies that make them more environmentally friendly, but also address the rapidly evolving needs of our time – from consumer health and wellbeing needs to the environmental challenges that the world faces as a result of rapid population growth and climate change.

One example is our PlanetCaps™ introduced in 2021. This industry-leading first-to-market fragrance encapsulation innovation enables a long-lasting fragrance experience in a biodegradable and bio-sourced delivery system for fabric softeners. We are the first fragrance house to offer a fully scaled solution ahead of the European Chemicals Agency's proposed restriction on microplastics, due for ratification in 2022. The introduction of PlanetCaps™ allows our customers to solve the complex feasibility equation between greenness and performance in fabric softeners, a consumer goods application that is very reliant on capsules.

# Co-creating with customers and partners

Co-creation and collaboration with customers and partners to innovate and develop game-changing products and solutions that shape the worlds of taste, nourishment, scent and beauty.

As consumer wishes evolve rapidly, collaboration and co-creation with customers, other partners and suppliers allows faster breakthrough innovations in both Taste & Wellbeing and Fragrance & Beauty.

## TASTE & WELLBEING A holistic approach

With consumer expectations increasing and demands changing at a remarkable pace, pro-activity and partnerships are essential. We take a holistic approach to co-creation, and our collaboration is always multidirectional. It starts with a deep understanding of consumers, revealing not only what they enjoy, but why they enjoy it. This foundation leads us down the development path together, from end-to-end, brainstorming to production, supported by ingenuity, creativity, speed, efficiency, and the belief that as one, we are stronger.

In 2021, we formalised a platform for co-creation with customers to better address their needs and accelerate product development. With this approach, we aim to become the go-to partner for our customers to co-create consumers' preferred food experiences, supported by our expertise, technologies and ecosystem.

Co-creation takes many forms, from working directly with customers on projects through our new platform to the establishment of sites or facilities designed for co-creation, to strategic external partnerships, and front-end collaborations with start-ups.

A significant example of a new facility is the Protein Innovation Centre in Singapore opened jointly with Bühler, global leader for food processing solutions. The centre welcomes food processing companies, start-ups and university researchers from across Asia

Pacific, keen to co-create plant-based food experiences. The centre combines the pilot technology of Bühler's extrusion and processing equipment with Givaudan's new culinary facilities and its world-leading expertise in flavour, taste, ingredient and product development.

Front-end innovation allows us to combine our market knowledge, science at scale and capabilities for commercialisation with the agility of start-ups, and together accelerate product development. For example, Givaudan, along with Bühler and Migros, the largest retail company in Switzerland, has set up the Cultured Food Innovation Hub at the flagship Zurich Innovation Centre to accelerate development of cellular agriculture products.

## FRAGRANCE & BEAUTY Co-creating in a digital world

In our Fragrance & Beauty business, we work with our customers to develop tailored market strategies to tap into mature market opportunities, and extend our leadership in high growth markets through extensive grassroots work and the sharing of unique insights.

**Co-creation with Givaudan can take many forms: working directly with customers on projects; the creation of facilities designed for co-creation; external partnerships; and front-end innovation efforts.**



## Some of our Taste & Wellbeing initiatives

### Meat and dairy alternatives

Through our Plant Attitude platform, we enable the shift towards diverse and planet-friendly diets. Givaudan has been collaborating widely on a variety of projects for many years, and we made significant advances in 2021:

- Protein Hub at the Zurich Innovation Centre, part of Givaudan's global protein innovation network
- Scale It Up! Challenge with Cargill, Bühler and Puris, the innovation challenge in meat and dairy alternatives for start-ups in North America



### Biotechnology

Givaudan has been working for a number of years in biotechnology. Significant advancements in 2021:

- Collaboration with Manus Bio, leading US manufacturer of sustainable natural products, on a new sustainable ingredient developed via fermentation.
- Collaboration with Gingko Bioworks Inc., on cell programming
- Collaboration with Biosyntia, Danish biotech, on the development of fermentation processes for select small molecules

Contributing to the United Nations Sustainable Development Goals (SDG)



For example, in China, we entered into an industry-first partnership with Tmall, the Alibaba group's open business-to-consumer (B2C) platform, to launch the T-Lab source innovation laboratory. We also strengthened our e-commerce offering through the opening of a flagship business-to-business (B2B) store on China's leading wholesale website, 1688.com. The partnerships will bring unprecedented consumer and brand insights, and a unified online and offline experience through seamless integration of Givaudan's digital capabilities and industry-leading perfumery teams.

At the end of 2021 we opened a new Digital Space in China to drive innovation. Strategically located at Givaudan's Shanghai Fragrance & Beauty site, it will allow us to leverage transformation opportunities and to support the growth with local and regional customers in the region. Innovative digital projects at this new facility will complement the explorations and developments at our Digital Factory in Paris, which opened in 2019.

In France, a specialised team partnered with researchers and academics from the Université Côte d'Azur, medical professionals from the Nice University Hospital (CHUN) and product designers from Onepoint, alongside our perfumery experts and digital specialists to create Ma Madeleine™, an olfactory kit guided by a web application to help repair the sense of smell for those who have been impacted by COVID-19 or other illnesses.

## SUPPLIERS

### Accelerating ideation and co-creation

Co-creating with our suppliers brings opportunities for growth and strengthens our joint efforts to ensure a responsible and sustainable future. Our collaborations result in new ingredients and novel ideas that enhance our creative palette to deliver better product performance and commercialisation.

We have about 300 suppliers from, large to small, global to local which are significant for our innovation solutions portfolio. Selective 'matchmaking' allows us to align needs with solutions and we are actively investigating a number of areas including food texture, technologies and solutions that contribute to renewability and biodegradability; two focus areas that help us meet our nature ambitions.

We re-shaped our Supplier Enabled Innovation programme and established a strategic initiative with a selected number of partners called 'Connect to Win'. Its aim is to unlock value from our existing supplier relationships and create a pipeline of technological innovations that differentiate us in the market. It is a structured, open-door approach that allows us to add significant value to our existing procurement approaches while creating value in our innovation agenda.

## Together with our suppliers, we can achieve a level of innovation that goes beyond what we can do on our own.

In our strategic partnership with the biotech company Novozymes, for example, we plan to jointly work on the research and development of innovative sustainable solutions in the areas of food and cleaning. Novozymes brings innovation with extensive know-how in enzymes and microorganisms with substantial investments in technology and R&D. On the commercial side, Novozymes is in strong commercial partnerships with some of the largest companies in the household care and food and beverages sectors.

### SUPPLY CHAIN

#### Strong partnerships created

Our Sourcing4Good programme, launched in 2021, will allow us to develop deeper and expanded partnerships with the aim of gaining an entire palette of materials that are sourced responsibly and providing the right level of traceability.

With this innovative approach we will be in an even better position to offer our customers access to safe, high-quality, responsibly sourced products, as well as deep knowledge and increased visibility in the supply chain. Our customers will be able to leverage traceability data to meet their consumers' expectations.

The programme will widen opportunities for customers and suppliers to develop strong partnerships and increase the ability to accelerate substantiated claims and flagship stories. For our customers, it will reduce risk and build confidence in buying from our Company.

#### READ MORE

Details of our Sourcing4Good programme can be found in the Communities chapter ▶ page 101

## Driving innovation at our Digital Space<sup>1</sup> in Shanghai

**"Our customers in China are having a profound influence on digital transformation. The Digital Space is designed to spark creative, ground-breaking ideas through face-to-face interactions, co-creation and incubation experiences. It will enable us to leverage digital opportunities, manage rapidly evolving customer trends and deliver on key local initiatives while also easing integration with our global innovation projects."**

Anne Tayac, Head of Givaudan Business Solutions

1. The Digital Space offers co-creation spaces for both Taste & Wellbeing and Fragrance & Beauty teams.

Contributing to the United Nations Sustainable Development Goals (SDG)



# 2021 Key innovation achievements Taste & Wellbeing

With an expanded portfolio of products across flavours, taste, functional and nutritional solutions and a deep knowledge of the food ecosystem, our passion is to collaborate with customers and partners to develop game-changing innovations in food and beverages.

Let's imagine together the future of food.



## Commercialised in 2021

### 1. Culinary Cues

New technology based on chef's cooking techniques enabling the creation of truly authentic savoury flavour modules and foodstuff-based creations with a superior profile.

### 2. Umami upgrades

New natural umami creation capabilities have been introduced, acting as an enabler for enhanced performance across Givaudan's savoury product range.





### 3. Astringency masker for plant-based dairy

Masking typical off-notes in plant-based dairy applications.

### 4. Sweet taste

Leveraging oat flour for texture improvement and volume backfill in sugar-reduced bakery products, to strengthen the flavour portfolio.

### 5. VegeBrite® Veggie Browns for plant-based meats

New allergen-free solutions that recreate the colour of cooked meat.

### 6. Health & wellness infusions

Infusions, gently brewed in water, for consumer-friendly labelling. Preserve the botanicals authentic taste.

### 7. Cereboost®

New published study that has demonstrated promising effects on cognitive function and mood, potentially via gut microbiome modulation<sup>1</sup>.

### 8. Integrated Solutions

Formulation for botanical-based healthy beverages. These integrated solutions are combinations of taste, sense, nutrition and/or health ingredients and technologies that, when brought together, bring more value than using the individual ingredients and technologies on their own.

1. E1. 2021, "A randomized, placebo-controlled trial investigating the acute and chronic benefits of American Ginseng (Cereboost®) on mood and cognition in healthy young adults, including in vitro investigation of gut microbiota changes as a possible mechanism of action" Lynne Bell, Adrian Whyte, Cindy Duysburgh, Massimo Marzorati, Pieter Van den Abbeele, Romain Le Cozannet, Pascale Fança-Berthon, Emilie Fromentin & Claire Williams.

**FOCUS STORY**



# FOOD EXPERIENCES FROM PRODUCT ECONOMY TO EXPERIENCE ECONOMY

Today, more than ever, people are seeking holistic food experiences. By going beyond great taste to create food experiences that do good and feel good, for body, mind and planet, Givaudan Taste & Wellbeing aims to be at the leading edge of this movement.

**The food industry is facing profound disruption, driven by rapidly changing consumer and customer needs and growing environmental concerns. This disruption is signalling a transformation away from a traditional product or functional economy towards experiences.**

No matter what we eat or drink or where we are, what we consume is often more than a means to satisfy our basic needs. It is an experience that, more recently, has grown in significance.

Added to this is the continued rise of the 'conscious consumer': one whose consumption habits show concern for society and the environment, as well as the impact on their wellbeing.

At Givaudan we keep our finger on the pulse of the latest developments and deliver a complete range of solutions, which means we can help solve more of our customers' holistic challenges and, in turn, those of their consumers.

### How does Givaudan define food experiences?

"Food experiences are the culmination of multi-sensorial events that occur along the journey from interacting with the packaging to preparing and consuming food and beverages, all the way to experiencing physical and emotional benefits both immediate and long-lasting.

'Immediate' refers to, for example, taste, texture, mouthfeel, colour, relaxation, and energy boost. 'Long-lasting' refers to, for example, overall health, immunity, wellbeing, and doing good for the planet."

Mind, body and planet: the foods of tomorrow will delight our senses, enhance our wellbeing and satisfy our aspirations. Givaudan co-creates with its customers the food experiences consumers are looking for.

With this in mind, we have realigned our portfolio across three experience spaces:



Through our extensive portfolio of advanced taste and sense solutions, we create 'Feel Good' Food Experiences that consumers love. From great taste to visual appeal, shelf life management and texture, we offer sensory experiences that surprise and delight.

With our industry-leading portfolio of natural solutions, we deliver great tasting food experiences that 'do good' for body and mind. We provide solutions that enhance the nutritional value of food and support healthy living, bringing more of the natural wellbeing benefits that consumers want.

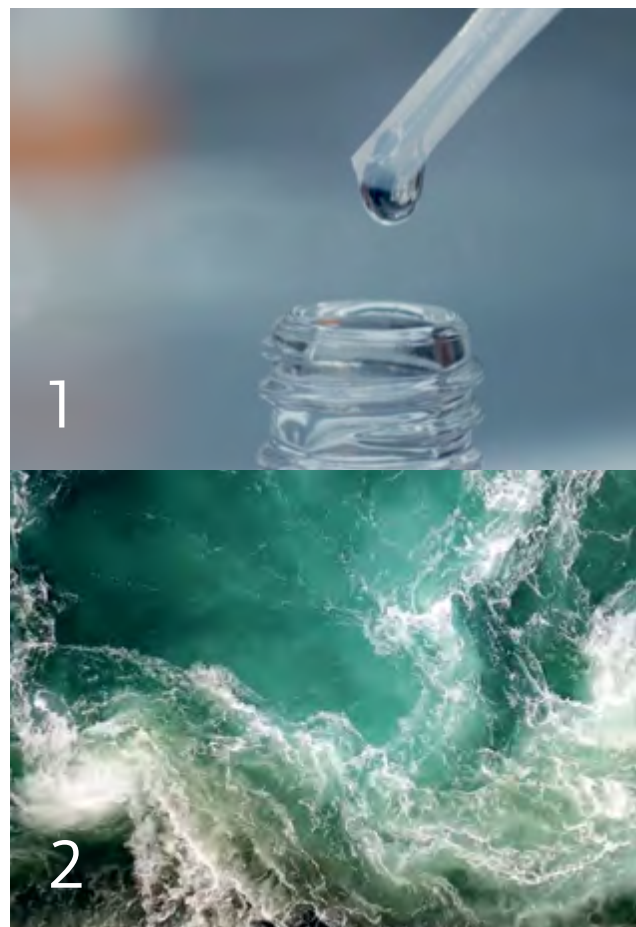


Through our Integrated Solutions and innovative programmes, we go beyond to imagine new food experiences. We leverage our insight and foresight, as we collaborate and co-create with our customers to discover new opportunities for high-value benefits.



# 2021 Key innovation achievements Fragrance & Beauty

Our science and technology capabilities provide us with a solid foundation to create and innovate to solve the most pertinent challenges and tailor our offerings to a wide variety of consumer products and fine fragrance needs.



## Commercialised in 2021

### 1. NatZap™

An addition to our existing suite of malodour counteraction products: meeting the need for malodour neutralisation while respecting nature.

### 2. Phytogaia™ and Thalassogaia™

Two new innovative fragrance technologies that capture the energy of our planet's blue and green spaces. Inspired by nature, they allow our perfumers to bring the natural benefits of forests and the ocean into perfumes.



### 3. Peach Alcoholate Orpur®

Our new, upcycled ingredient proving a breakthrough for both our Taste & Wellbeing and Fragrance & Beauty businesses and adds to an existing suite of upcycled products which include Apple, Rose, Akigalawood® and Cedarwood.

### 4. Z-biome™

We created two innovative technologies, My Z-biome™ and Z-biome™ Deo, to answer the demand for a sensation of wellbeing connected to healthy skin.

### 5. Zanthalene®

Scalable natural active ingredient crafted by green fractionation with botox-like efficacy and skin sensitivity modulation benefits.

### 6. Bloomful™ platform

Two new patent-pending technologies added to this platform: Bloomful™ Wave creates unique blooming moments during all wet stages of the laundry process, while Bloomful™ Sparkle is a direct response to consumers' expectation for a high-fragrance experience while cleaning and rinsing dishes.

### 7. Sericoside

An active ingredient with the well-ageing power to offer skin a second youth by resetting its cellular memory.

### 8. Masknyl™

An active ingredient able to counteract redness, inflammation and hyperpigmentation due to mask-wearing.

### 9. [N.A.S.]™ Rosemary 01

A functional cosmetic ingredient that challenges butylated hydroxytoluene (BHT) by outperforming its efficacy in a natural and organic way, and thus offering superior antioxidant benefits.





# THE GIVAUDAN WAY DESIGNING NATURE- CONSCIOUS FRAGRANCES THAT DELIGHT CONSUMERS

Consumers are increasingly on a journey towards healthier, more environmentally conscious products. Our Naturality platform is a transformational approach to create delightful and nature conscious fragrances using mainly natural and biodegradable ingredients and integrating sustainability parameters in the formulation approach. This is creating with love for nature – and many beautiful, totally unexpected fragrances are already emerging from the approach.



## FOCUS STORY



**Naturality is bigger than a platform; it's a mindset of being conscious, authentic and responsible in the way we source ingredients and design fragrances, from fine perfumes to fragrances for consumer products. It's also a holistic approach based on three key pillars, Consumer understanding, The Naturality Guide™, and The Naturality Index™, which together put our Company purpose at the centre of creating.**

### 1 Consumer understanding

We gain a unique understanding of consumers' expectations towards responsible fragrances and products through this robust series of consumer study programmes.

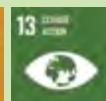
### 2 The Naturality Guide™

Provides a clear segmentation of the market and defines rules of formulations and parameters for development. It pushes perfumery to new frontiers of creativity and guides both our teams and our clients to discover and market the right design and the right claim.

### 3 The Naturality Index™

Measures the impact of a formula. The Index is built on a deep understanding of sustainability criteria. From eco-toxicity to energy efficiency and sourcing, the Index allows us to assess the environmental impact of a formula and from our understanding what it means to create a perfume with love for nature.

Contributing to the United Nations Sustainable Development Goals (SDG)



# FINE FRAGRANCES NATURE-CONSCIOUS CHOICES

Our fine fragrance perfumers embrace nature-conscious fragrance creation and sustainability when meeting the most demanding briefs.



## 1. Ambrofix

by Linda Song

Linda consciously picks ingredients that have a positive real-world impact while still adding to the olfactive aesthetic. She did just this when presenting scented ceramic, based solely on Ambrofix – our innovative, lower carbon fragrance ingredient.

1



## 2. Sundrenched Earth

by Dana Schmitt

Like all our perfumers, Dana puts sustainability at the core of how we obtain ingredients.

Working directly in the country of origin to ensure a sustainable stream of the naturals on which we rely, Dana created a nature inspired soy candle – Sundrenched Earth. Its scent draws from personal memories to produce a nostalgic patchouli and grapefruit combination.

## 3. Heroine

by Quentin Bisch

Our talented perfumer Quentin recreated a signature à la Poison that rediscovers forgotten ingredients and draws its pleasure from the past. An expensive and beautiful floral duet, possible because of this new design at low concentration. A creative challenge that divides carbon footprint by 4 or 5.

## 4. Bang Bang

by Christophe Raynaud

Christophe crafted Bang Bang, which demanded a nature-conscious design with high olfactory power and low environmental impact. He was responding to a brief that asked for 'a shot of universal gluttony' and 'pure pleasure', and to meet it he leveraged Givaudan's raw materials with high odour values.



# CONSUMER PRODUCTS CONNECTING TO NATURE

Fresh smelling laundry, a kitchen that smells clean, aromatic shampoo; our perfumers are also transforming fragrances for consumer products under our Naturality approach.



## 1. Green Goddess

by Onno Stofberg

US consumers highly value a 'clean' sensation in products and so Onno designed the Green Goddess fragrance, a 100% biodegradable and renewable blend containing naturally derived Italian citrus, Egyptian geranium and Indian cardamom.



## 2. Euphoric Spice

by Dalia Izem

Dalia listened to insights from Indian consumers, learning that they wish for perfumes to capture the very essence of nature. The result was Euphoric Spice, a concoction of locally sourced ginger extract, Akigalawood® and grapefruit for a

citrus, spicy and exhilarating impact.

## 3. Gin Basil Smash

by Jin Kim

Natural fragrances that are mild to skin appeal to 90% of Chinese consumers, and over 90% in Indonesia believe a natural scent connects them with nature. Gin Basil Smash is an uplifting, citrusy and aromatic design filled with antibacterial yet natural Basil and Peppermint SaniScent™ essential oils.

## 4. Alma Verde

by Anna Vidineeva-Juquois

Biodegradability and eco-friendliness are crucial for consumers in Brazil and Mexico. Anna created Alma Verde, a 100% biodegradable, effective laundry detergent fragrance built around notes of citrus, wood and a core of lavender essential oil.

## 5. L'Expérience Méditerranée

by Isabelle Abram

Evoking a Mediterranean escape by the sea, Isabelle Abram created a 100% biodegradable design drawing on Givaudan's unique natural Orpur™ Neroli oil to mimic the incomparable effect of nature by the seaside.



# NATURE

Our purpose goal 'that we show our love for nature in everything we do' contributes to the following SDGs:





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# Acting on climate change

## OUR AMBITION

Before 2050, we will be a climate-positive business based on scope 1, 2 and 3 emissions according to the greenhouse gas (GHG) protocol.

Focus area	Targets	Status 2021	Actions and measures
<b>Emissions</b> 	<b>OPERATIONS:</b> Our operations' carbon emissions (scope 1+2) will be cut by <b>70% before 2030</b> and will be <b>climate positive before 2040</b> (baseline 2015)	<b>-31%</b>	<ul style="list-style-type: none"> <li>• Setting internal carbon price</li> <li>• Fixing site environmental targets and assessments</li> <li>• Switching to renewable energy sources</li> <li>• Promoting energy efficiencies</li> <li>• Signing the UN pledge 'Business Ambition for 1.5°C'</li> </ul>
	<b>SUPPLY CHAIN:</b> Our supply chain emissions (scope 3) will be cut by <b>20% before 2030</b> and will be <b>climate positive before 2050</b> (baseline 2015)	<b>-4%</b>	<ul style="list-style-type: none"> <li>• Sourcing ingredients responsibly</li> <li>• Developing low-carbon creations</li> <li>• Driving circularity and upcycling</li> <li>• Optimising packaging, logistics, transport of goods, business travel and employee commuting</li> </ul>
<b>Electricity</b> 	Power <b>100%</b> of our sites with renewable electricity <b>by 2025</b>	<b>84%</b>	<ul style="list-style-type: none"> <li>• Committing to RE100 since 2015</li> <li>• Setting site renewable electricity targets</li> <li>• Generating electricity on site</li> </ul>

We believe that positivity creates possibility and we are taking positive action against climate change. That's why we're working towards a bold ambition to become climate positive before 2050. This means removing more greenhouse gases from the atmosphere than we put in, by tackling emissions in our operations and in our supply chain.

To be successful, we need to imagine a better future, what a climate positive 2050 could look like. And this must be done through different eyes, harnessing the energy and optimism of those who will live with the outcomes of the decisions we take now and creating the future we imagine.

We can move towards this 'better' every day in many ways, from setting and pursuing stringent targets aligned to the latest climate science to reducing our packaging footprint, changing how we formulate our ingredients and how we move our products, rethinking how our employees travel, and engaging our supply chain on climate action.

Driven by our purpose, we see many opportunities to do things differently, to push ourselves to go further and to positively impact the communities and ecosystems in which we live and operate. With our scale, reach and impact, we have a responsibility and an opportunity to drive change. We hold ourselves to the highest standards of being a responsible business and by doing so will continue on our path of sustainable value creation for all stakeholders.



## An industry leader in climate action

We have been working to become climate positive for some years, having been early adopters of the Science Based Targets initiative. Working with experts and joining others in calls for action is important, which is why we signed the UN pledge 'Business Ambition for 1.5°C' and take an active role in organisations such as CDP, We Mean Business and WBCSD.

In 2021, we were one of over 80 companies taking part in the road test of the world's first Net Zero Standard launched by the Science Based Targets initiative. As we strive to deliver on our purpose and sustainability ambitions, we know that no business can tackle the issue of climate change alone. Action depends on a collective effort, guided by the latest climate science and a shared commitment to creating a positive future.

Demonstrating our industry leadership in climate action and the transition to a low-carbon economy, we again took part in the annual CDP Climate Change questionnaire. We received the highest score for the third year in a row: CDP score A for climate action.

Reducing emissions of GHG in our operations is a major part of our actions against global warming and we are making good progress towards our targets. In 2021, our absolute total direct (scope 1) and indirect (scope 2) GHG emissions decreased by 75,600 tonnes. The evolution of absolute total scope 1 and 2 GHG emissions in 2021 vs the 2015 baseline has been of -31%.

Our scope 1 and scope 2 GHG emissions intensity (GHG emissions/tonne of product) decreased by 11% in 2021 vs 2020.

While cutting GHG emissions is a key part of our climate actions, we are aware that two-thirds of industrial energy consumption relates to heating and cooling processes and is a major environmental challenge. In Spain, we are deploying an innovative approach to integrate renewable thermal energy sources: the HyCool project at our Sant Celoni site will use breakthrough technology by combining solar collectors with absorption chillers to harness solar energy to produce steam, heating and cooling energy with greater efficiency. Installation started in summer 2021

**“ Our ambition is a bold one, but a necessary step to bring about impacts in the years to come. And we need to all work together with a positive, action-oriented mindset. ”**

**Willem Mutsaerts**

and, once completed, and at full scale, is expected to reduce site GHG emissions by 3%, reduce gas consumption, and deliver refrigeration with 25% greater efficiency. We are on track to complete the project in May 2022.

### READ MORE

Have a look at the interview with the Givaudan HyCool project officer:  
[www.givaudan.com](http://www.givaudan.com) › sustainability › nature › climate action › solar heat for cool innovation › **hycool project spain**

## Moving to 100% renewable electricity

As part of our industry-leading journey to become climate positive before 2050 and as a proud member of RE100 since 2015, we are converting our entire electricity supply to fully renewable sources by 2025. We are on track to achieve this target, as we attained 84% of renewable electricity supply, with 45 production sites purchasing 100% of electricity from renewable sources by the end of the reporting year as at December 2021.

Examples of our moves to renewable electricity can be seen at our Taste & Wellbeing site at Pune in India, where we are fitting more than 2,000 solar photovoltaic panels to rooftops, ground mounts and carports to cut reliance on fossil fuels. We've installed and commissioned a total of 746 kWp onsite solar power – 716 kWp in February 2020 and 30 kWp in July 2021. The installation, which dedicates about 5,300 square metres to the solar panels, has resulted in electricity generation of about 971,520 kWh. This enables us to cut by 20% the use of electricity purchased from fossil sources as well reducing our carbon footprint by more than 900 tonnes of CO<sub>2</sub>e.

In addition, at our site in Melaka, Malaysia we've installed a 400 kWp solar PV system to cover a total area of more than 22,40 square metres. The objective is to reduce power purchases from about 100 mkW/month to about 55 mkW/month, avoiding the production of 332 tonnes of CO<sub>2</sub>e every year.

And in Brazil, our Jaguaré and Botucatu sites have migrated to 100% renewable electricity (wind). While the main aim was to buy renewable energy, there was an added attraction of selling the sites' unused energy back to the market. The anticipated savings for the move to renewable electricity are CHF 750,000 over five years, with expected sales of unused energy worth more than CHF 72,000 in 2021.

These innovative examples are an important part of reaching our targets. In 2020, we set a new renewable electricity strategy prioritising on-site generation, then off-site generation and then the purchase of Electricity Attribute Certificates (EACs). Our stringent procurement strategy helps add more renewable electricity to the grid and in 2021 we purchased electricity that accounted for 32% of the total energy used across the Company but which equated to 15% of our total CO<sub>2</sub> emissions.



### Actions within our supply chain: tackling scope 3

We are committed to reduce emissions from our entire value chain and our scope 3 target is to cut GHG emissions by 20% between 2015 and 2030. Approximately 93% of our GHG emissions come from both upstream and downstream activities related to our value chain, so the challenge is clear.

Our ambition is to drive action through supply chain engagement and to collaborate across the industry. High on our agenda is buying raw materials and services that reduce our impact on the climate. In 2021, we invested in training our procurement teams on this complex scope 3 topic. With the right knowledge we can influence the day-to-day decisions and behaviours that impact our environmental footprint.

In addition, the CDP Supply Chain programme is one of the tools we use to engage with suppliers on climate action. The data collected through this programme contribute to an increased understanding of our supply chain.

### SBTi's Net-Zero Standard

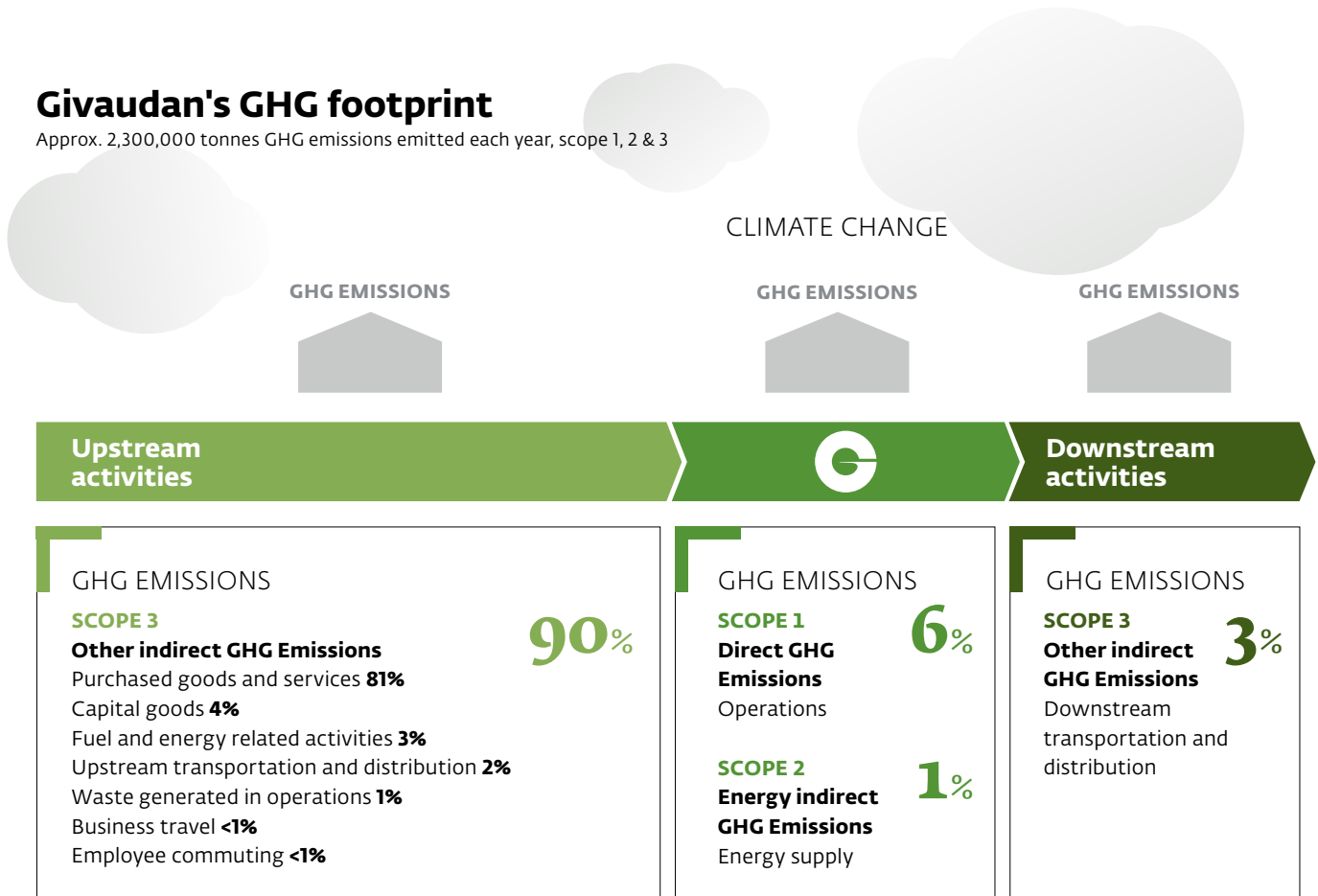
We were among the companies taking part in the 2021 road test of the SBTi's Net-Zero Standard. The world-first common framework recognises the urgency of the climate crisis and the need for businesses to respond robustly and credibly, aligning action across industries and geographies. We strive to deliver on our purpose and sustainability ambitions, knowing that no one business can tackle the issue alone.

Action depends on a collective effort and shared commitment to creating a future we can be positive about.



### Givaudan's GHG footprint

Approx. 2,300,000 tonnes GHG emissions emitted each year, scope 1, 2 & 3



OUR ROADMAP TO BECOMING  
**climate positive**

OUR ACTIONS TO REACH OUR AMBITIONS

**Scope 3**

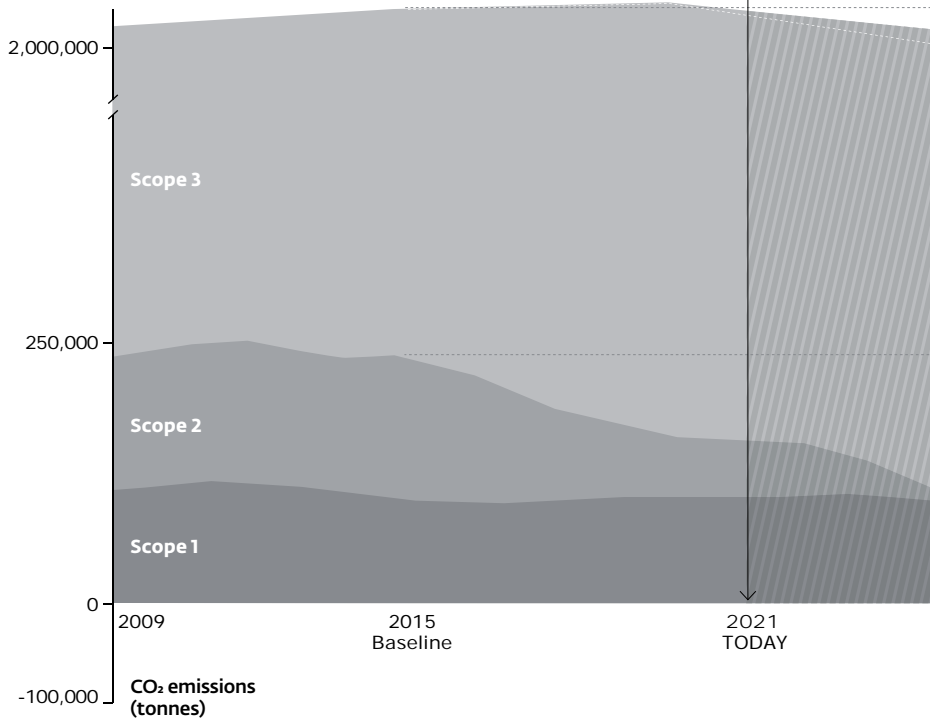
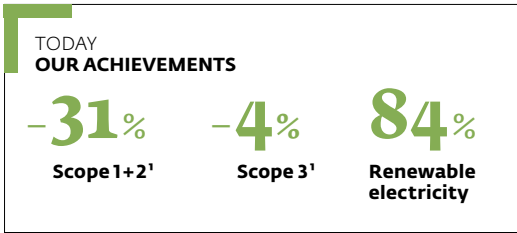
- Sustainable procurement of ingredients
- Low-carbon creations
- Driving circularity and upcycling
- Optimising packaging, logistics, transport of goods
- Optimising business travel and employee commuting

**Our operations (scope 1+2)**

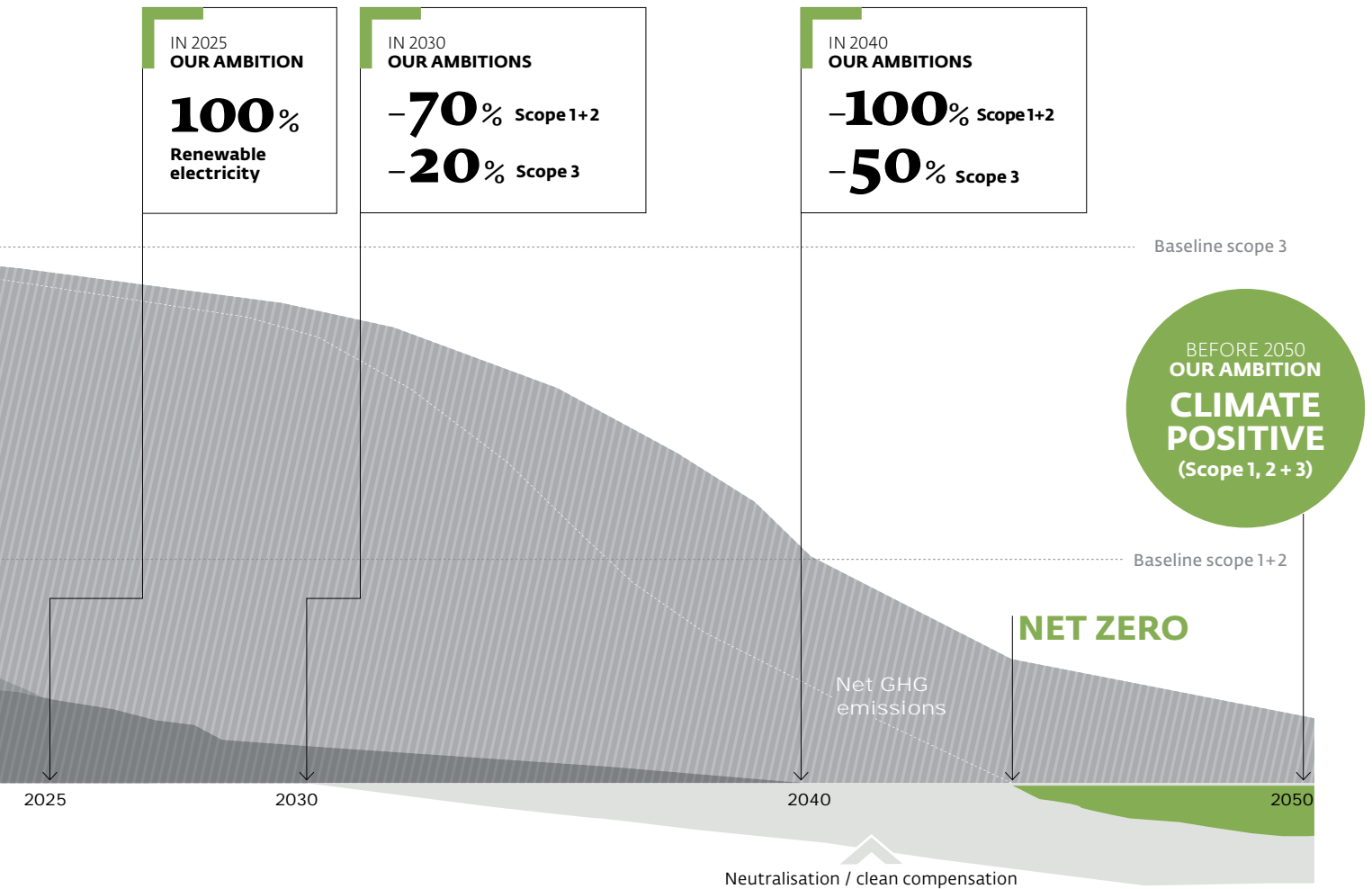
- Renewable energy sources
- Energy efficiency

**Neutralisation / compensation**

- Carbon capture technology
- Natural climate solutions



1. Compared to baseline year 2015.



#### ENABLERS TO REACH OUR AMBITIONS

- Supplier engagement and innovation
- Budget and financial mechanisms
- Advocacy and promotion
- Partnership and governance



## Multipronged approach by our employees to help preserve 'Ma petite planète'



All of us can take individual actions to help preserve the planet. At Avignon in France, employees are taking a wide-ranging approach to ensure their site's impact on the environment is as positive as possible.

From the elimination of single use plastics and mobility solutions to the promotion of biodiversity with a project to boost the population of wild bees, Avignon colleagues are demonstrating the differences that can be made through their numerous actions.

As an early step on this journey, the local Green Team invited all on

site to send in their ideas, and these suggestions continue to be shared through a regular site newsletter 'Ma petite planète' (My small planet) with nature-focussed projects, stories and projects, some of which employees and their families might implement in their daily lives.

Among the many projects undertaken at the site we find the replacing single use plastics with recyclable or alternative products and replacing nearly 5,000 water bottles purchased each year for visitors with water fountains installed in each meeting room and common areas.

The Green Team has worked with the on-site food vendor to promote sustainable food options by using locally sourced produce and seasonal products to reduce the footprint of food consumed on site, and sustainable coffee machines have been installed.

Local biodiversity has received attention, with olive trees being planted on unused land at the site and the introduction of sustainable mowing of green spaces. In collaboration with a local beekeeping association, a site project is in place to conserve wild bees and promote the importance of pollinator bees.

What's next for the Avignon site? Under consideration is an employee mobility plan, including a car-pool calendar, electric charging stations, a fleet of bicycles for employees, and mobility kits as part of an onboarding package; new ways of managing site waste are also in focus.

Contributing to the United Nations Sustainable Development Goals (SDG)



Our engagement with suppliers aims to reduce the carbon footprint of purchased goods and services by identifying risks and opportunities, collecting data on climate change and proposing actions to reduce emissions within the framework of the CDP Supply Chain programme. We've already been recognised as a world leader in supplier engagement on climate change, earning a position on the CDP Supplier Engagement leaderboard in recognition of our actions and strategies to reduce emissions and lower climate-related risk across our supply chain.

This supply chain includes palm oil. Roundtable on Sustainable Palm Oil (RSPO) certification from our palm oil sourcing ensures the credibility of the sustainability claim at the end of the supply

chain. It also includes a beneficial impact on carbon emissions, as RSPO-certified palm oil production decreases emissions by about 36% in kg of CO<sub>2</sub>e per kg of palm oil.

As Givaudan covers part of its supply chain with certified palm oil, it also impacts the scope 3 inventory. In 2020 we were able to reduce the average CO<sub>2</sub>e emission per kg of palm oil and palm oil derivatives by 5% compared to 2015 and our efforts continue throughout 2021.

Furthermore, to broaden our scope, we ensure our sites have the Palm Oil RSPO MB certification: 15 of our production sites were certified in 2021.

The scope 3 emission category includes travel, both business travel and employee commuting, the pandemic meant a reduction in all travel, but through virtual meetings we were able to maintain operations.

In terms of employee commuting, we support a range of schemes including a bike-to-work initiative and carpooling. During 2021 we carried out an employee commuter survey to understand the impact of our various initiatives. With 7,000 employees participating, we found that our impact went from 2.0 tCO<sub>2</sub>e/employee in 2015 per year to 1.15 tonnes (without taking the pandemic into account). If we take working from home into account, we are at 0.87 tCO<sub>2</sub>e/employee per year.

In addition, we are promoting the use of electric vehicles (EVs) for those who drive company cars and we began introducing charging points at selected sites for employees and customers. All these initiatives contribute to reducing CO<sub>2</sub> emissions.

In 2021, our overall scope 3 GHG emissions decreased by 4% against the 2015 baseline figure, a decrease of 2% against 2020.

### Preservation and sustainable use of biodiversity

We need a steady supply of ingredients from around the world to create our flavour, fragrance and beauty products. Our activity thus depends on biodiversity, as does the livelihood of the many communities with which we work. A combination of protection, sustainable management and, where necessary, restoration is then needed to ensure the future of a diverse, living planet.

As a purpose-led company, our approach to biodiversity is integrated in the Company's global approach. Day-to-day, this includes avoiding negative impacts (or reducing them when this is not possible), fostering a positive impact, and inspiring the different stakeholders we work with.

To strengthen our strategic value chains of natural raw material, we work hand in hand with producers at source for botanicals such as guarana, rosemary, turmeric and patchouli.

On one hand, our Origination and Agronomy teams focus on unlocking sustainable long-term value by building trust to help improve practices, addressing environmental impacts and ultimately increasing revenues for local farmers. Our team of experts are contributing to the upscaling of regenerative farming within our ingredient value chains, designing alternative practices to restore life in soil, foster biodiversity and build up resilient farming systems.

On the other hand, thanks to the Givaudan Foundation, we look to implementing virtuous solutions such as reforestation and ecosystems conservation.

Aspects of sustainability, including biodiversity, are discussed with our customers and with experts in specific issues. Participating in industry platforms and think tanks allows us to act together on certain aspects related to biodiversity.

In addition, we continually assess the potential impact of biodiversity laws worldwide, acting in compliance with regulatory frameworks that are in force and the Nagoya Protocol principles.

We also work with our suppliers to protect and promote biodiversity and ecosystem services. In our Responsible Sourcing Policy, suppliers are expected to cultivate or collect in a way that promotes biodiversity. We strive to prevent loss of species through various actions which include verification in the field via third party audits looking at the preservation and sustainable use of biodiversity, support of best management practices and climate adaptation strategies.

With these approaches and by being closer to our customers on issues of sustainability and being part of industry platforms, and with the guidance of experts, we seek to strengthen our approach and inspire all players in the industry. In 2021, we started the process of hiring a Global Biodiversity lead to help us shape our strategy and measure our progress.

## Addressing deforestation

We address specific issues of biodiversity preservation such as those related to deforestation through a number of approaches:

- Forest conservation with Tonka Bean collectors which aims at improving local livelihoods and protecting the forest in the Caura basin in Venezuela.
- Palm oil position statement emphasising our commitment to non-deforestation.
- Member of the SAI platform's Dairy Working Group which covers multiple sustainability topics including deforestation.
- Preserving natural resources through an efficient process which enables us to continue work on reducing fuelwood consumption and replanting fuelwood trees in the distillation of key ingredients such as ylang ylang and patchouli.
- Member of the French Alliance pour la Préservation des Forêts (APF), a food sector initiative that addresses the challenge of deforestation and ecosystem conversion within raw material supply chains.

# A WORLD OF POSSIBILITIES WHEN OUR EMPLOYEES THINK CLIMATE POSITIVE

## FOCUS STORY

At Givaudan we're positive about the climate action we are taking, and we believe that positivity creates possibility. Driven by our purpose, we see many opportunities: to do things differently, to push ourselves to go further and to positively impact the communities and ecosystems in which we live and operate.

**Our journey towards becoming climate positive before 2050 is inspiring employees to find new ways of working to help reduce our environmental impact. In doing so, our business units are discovering that doing the right thing for the environment is also the right thing for our business as it increases collaboration across teams and generates cost savings, too. Three projects from our production sites show what is possible with a positive attitude.**

Contributing to the United Nations Sustainable Development Goals (SDG)





## DATA TRANSPARENCY USING UTILITY METERING AND MONITORING

We can only reduce our energy and water use if we know where, when and how we're using them. With this in mind, Givaudan engineers implemented a pioneering data-driven software tool, ULTIMO (Utility Monitoring and Metering), to track usage in real time. It was piloted at our Vernier site in Switzerland and will be rolled out to all major production sites as part of our 2025 strategy.

In August 2021, for example, the tool highlighted that water consumption has spiked to almost three times as much as usual. Using the data, engineers were able to find the issue and correct it. Data on heat use and heat loss have also allowed the site to try out different ways of keeping the correct temperature during the production process.

"A key part of the success is collaboration and having governance in place to review the utility data each month with stakeholders, address issues



“  
As part of our  
2025 strategy, we are  
planning on rolling out  
ULTIMO to our major  
production sites.  
”

and develop corrective action plans,” says Bing, Director of Global Utilities Stream in our Centre of Excellence for Engineering. “It shows what we can do by thinking positively about reducing our environmental impacts.”

Until September 2021, the Vernier site achieved savings of CHF 106,000, something which will be amplified across the Givaudan world in the future.



## 'CONSCIOUS OFFICE' CERTIFICATION SHOWS THE ENGAGEMENT OF OUR PEOPLE FOR SUSTAINABLE CHANGE

Excellence in environmental and sustainability efforts by our colleagues in Argentina have been recognised by the country's Eco House, a non-profit organisation specialising in education, politics, economics and volunteering for sustainability.

Our Givaudan Business Solutions (GBS) Buenos Aires site was awarded 'Conscious Office' bronze certification for implementing a range of activities



over a period of two years, with the effort, focus and enthusiasm continuing even through the COVID-19 pandemic. The certification was sponsored by the Environment and Sustainable Development Ministry of Argentina.

Under a comprehensive plan to help improve the sustainability of the GBS office space, the programme included defining KPIs for waste, replacing plastic bottles onsite with dispensers, working with partners to find ways of recycling and donating electronics and toners, implementing a plan to cut paper waste from printing and the set-up of a permanent training programme "Green onboarding".

The initiative reflects the collective awareness of our GBS colleagues of acting together for sustainable development.

“  
An example of living our purpose and engaging in collective action for a sustainable impact on people and nature.  
”

## TACKLING THE TRIPLE THREAT ELECTRICITY, WATER, WASTE

At our Pioneer site in Singapore, the incremental effect is paying off: small changes have brought large savings in electricity and water use and substantially reduced waste water, all while production has increased.

Employees came up with a range of simple ideas, such as reducing temperatures, reducing or upgrading lighting, improving water overflows and pumps, and installing solar film on windows.

Starting in 2020, the site made monthly savings of around 114,131kWh of electricity – enough to light 2,000 4 to 5-room houses – and 432m³ of water compared to 2019. Year on year, production increased by 15% but electricity use dropped by 3% and water usage increased by only 9%. Together

these achieved savings of CHF 166,000 per year. In 2021, the site also reduced waste water by 80%.


"These activities are the start of a longer term plan to continue improving our operations in alignment with our purpose, while decoupling growth from environmental impact," says Ben, Regional Head of Fragrances APAC.

“  
Together these measures achieved savings of CHF 166,000 per year. In 2021, the site also reduced waste water by 80%.  
”



# Our commitment to water stewardship

We act as a role model in water stewardship working to protect water-dependent ecosystems and encouraging the sustainable use of resources.

Focus area	Targets	Status 2021	Actions and measures
<b>Water</b> 	Improve water efficiency by <b>25%</b> on sites facing water stress <b>by 2030</b> (baseline 2020)	<b>-4%</b>	<ul style="list-style-type: none"> <li>• Driving continuous improvement using the 3R approach: 'reduce, reuse and recycle'</li> <li>• Implementing our wastewater standard</li> <li>• Carrying out water risk assessments</li> <li>• Tracking site water quantity and quality</li> <li>• Identifying shared water challenges and local stakeholder priorities in the watershed</li> <li>• Implementing our wastewater standard</li> </ul>
	We will continuously improve water efficiency on all other sites	<b>flat</b>	
	<b>100%</b> of our wastewater discharge will meet or exceed regulatory and industry standards <b>by 2030</b>	<b>In progress</b>	

Water is an essential element in our production activities as well as in our entire value chain. Driven by our goal to show our love for nature in everything we do, we must lead the way in protecting this precious natural resource. We can do this through leadership in water stewardship, working to protect water-dependent ecosystems and encouraging the sustainable use of resources.

In our own business operations, we are fully aligned with, and contribute to, the sustainable management of water in the key watershed basins in which we work. Our projects include reduced water withdrawal, water recycling and the use of alternative sources such as rainwater.

In Pune, India for example, we contributed to water preservation by reducing intake from the municipal water system and eliminating waste water effluent into adjacent waterways. We did this by applying 'zero liquid discharge' principles, treating waste water with processes including ultra-filtration and reverse osmosis so that it could be reused. Domestic-use waste water was treated, with pollution turned into biogas, and waste water used for irrigation. We reduced water intake by up to 50% and discharged zero liquid into the surrounding environment.

We have made great progress so far on our water goals, having reached our 2020 water target to achieve 15% reduction per tonne of product (since our baseline year of 2009) three years in advance.

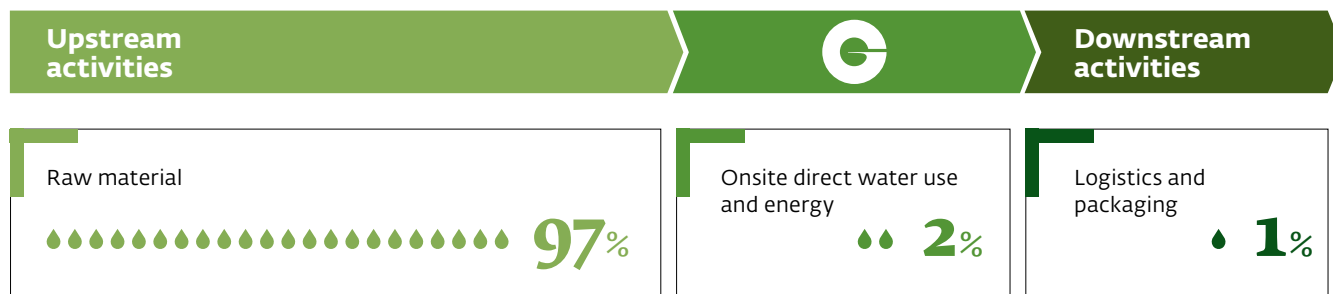
Focusing on the key sites located in water-stressed areas, there was important improvement with a decrease of 4% since 2020 for the same indicator. Another key milestone is being recognised for leadership in water security by the CDP, which in 2021 awarded us the highest 'A' score for the third consecutive year.

**We have made great progress on our water goals, having reached our 2020 water target to achieve 15% reduction per tonne of product three years in advance.**



## Givaudan's water consumption

Based on the 2018 corporate water footprint



Also in 2021, as industry leader and taking our responsibility to drive a positive impact, we created and published our water policy. This policy embodies our overall strategy for monitoring and reducing water consumption and emphasises our commitment to water stewardship. It is an approach based on the UN Global Compact's CEO Water Mandate and driven by our purpose.

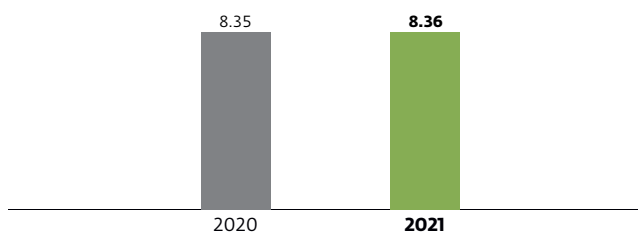
Looking forward, our guiding principles will focus on our operations and our communities: in our operations, we are looking to secure water supply and optimise water use and continuously improve how we manage effluent discharge; and in our supply chain and our communities we are reducing water risk and improving water quality management aspects. We are looking to foster sustainable water use at the watershed level and improve access to water, sanitation and hygiene, thus supporting communities to thrive.

### DOWNLOAD

[www.givaudan.com](https://www.givaudan.com) ▶ sustainability ▶ nature ▶ water ▶ **our water policy**

**Our targets and goals contribute to the UN's Sustainable Development Goals number 6 (clean water and sanitation) and number 12 (responsible consumption and production).**

### Water efficiency<sup>1</sup> in m<sup>3</sup> per tonne of production



1. Includes third party water (municipal supplies / purchased water) and groundwater.

The policy is also used to guide our growth strategy in terms of location, technology and procedures. We put emphasis on places where water stress is expected, carrying out detailed risk assessments to develop water mitigation action plans, including efficiency improvements and water reuse opportunities.

In 2021, we also set new water targets and goals in order to increase our resilience against growing water challenges, reduce risk and protect business continuity; to meet increasing external and internal stakeholder expectations; and to drive positive impacts in watersheds where we source and operate.

We act as a role model in water stewardship working to protect water-dependent ecosystems and encourage the sustainable use of resources. This means that:

#### In our operations, our targets are

- to improve water efficiency by 25% on sites facing water stress by 2030 – defined as the ability, or lack thereof, to meet human and ecological demand for fresh water – compared to 2020 levels,

## Improving water management in Hungary

Our Taste & Wellbeing production site at Makó in Hungary needs a lot of water for the cleaning of equipment. The need to reduce this use came into sharper focus with the arrival in 2021 of new production processes that required the consumption of even more water.

The site's roadmap had for some years included a water saving goal as a sustainability target. But to help manage and stabilise the increased water demand, a site team launched a focussed programme in 2020 with several targeted projects – small and large in scale – to improve water use efficiency and reduce consumption.

The results have been significant. The site's daily water consumption in December 2020 had come down from an average of 834 m<sup>3</sup> to 720 m<sup>3</sup>, and specific volume had been reduced from 8.59 m<sup>3</sup>/tonne to 6.64 m<sup>3</sup>/tonne.



By the end of the third quarter 2021, this water consumption translated to an estimated 6.2 m<sup>3</sup>/tonne, a further 6.6% reduction in specific water volume compared to 6.6 m<sup>3</sup>/tonne in 2020.

Contributing to the United Nations Sustainable Development Goals (SDG)



- to continuously improve water efficiency on all other sites,
- meeting or exceeding regulatory and industry standards by 2030 for a full 100% of our waste water discharge.

### In our supply chain and our communities, our goals are to

- improve and protect water quality and quantity in our priority natural supply chains,
- improve access to water, sanitation and hygiene (WASH) in vulnerable communities where we source and operate.


These latter goals contribute towards achieving the Communities goals of our purpose.

As water becomes more scarce, particularly in stressed areas, we will monitor progress against these water stewardship goals while continuing to take focussed actions to reduce our use of water and increase efficiencies in our approaches to water management.

# Rethinking plastics – towards 100% circularity

## OUR AMBITION

Before 2030, we will replace single-use plastics with eco-friendly alternatives across our sites and operations.

Focus area	Target	Status 2021	Actions and measures
<b>Plastics</b> 	<b>100%</b> plastics circularity <b>before 2030</b>	<b>In progress</b>	<ul style="list-style-type: none"><li>• Members of the advisory board of the Renewable Carbon Initiative (RCI)</li><li>• Co-leading a WBCSD plastic and packaging workgroup defining a transition for B2B chemical products</li><li>• Reducing our plastic usage and consumption</li></ul>

In our purpose launch in 2019 we committed to replacing all single-use plastics across sites and operations with eco-friendly alternatives before 2030. Concretely this means for Givaudan moving towards 100% plastic circularity.

Recent developments have seen a change in the public’s view of ‘plastic use’ and, in particular, ‘plastic waste’, and we as a business are also changing our approach. Now, a circular economy applied to plastics is no longer seen as a trend but an essential part of business activity if we wish to change the future. We are determined to manage our use of plastic in a responsible, sustainable way.

Plastic in itself is useful and necessary and we will be using it in our operations for the foreseeable future, but we need to ensure that it is renewable. A circular economy applied to plastics is our

long-term vision for sustainable plastics, and the key principles for us here are ‘rethink’, ‘reduce’, ‘recycle’.

In fact, we see plastic as a business opportunity, an enabler to grow and show our leadership in sustainability. Partnerships with customers offer business advantages in this area, while external partnerships can play a role in speeding up transformation and benefit from collective intelligence. We will use plastic circularity to engage employees and also as a common platform for speaking with customers.

In 2021, we joined the advisory board of the Renewable Carbon Initiative (RCI), started by the nova-Institute, which aims to support and speed up the transition from fossil carbon to renewable carbon for all organic chemicals and materials. Through the RCI, we hope to see the creation of cross-industry platforms that will demonstrate the feasibility of renewable carbon in tangible activities; it will enable advocacy for legislation, taxation and regulation changes to give renewable carbon an adequate commercial playing field; and support the creation of a wider pull for sustainable options by raising awareness and understanding of renewable carbon levels among the business community and wider public.

**We will apply the key principles of circular economy to plastics. It is our long-term strategy for sustainable plastics.**

 **READ MORE**  
[www.renewable-carbon-initiative.com](http://www.renewable-carbon-initiative.com)

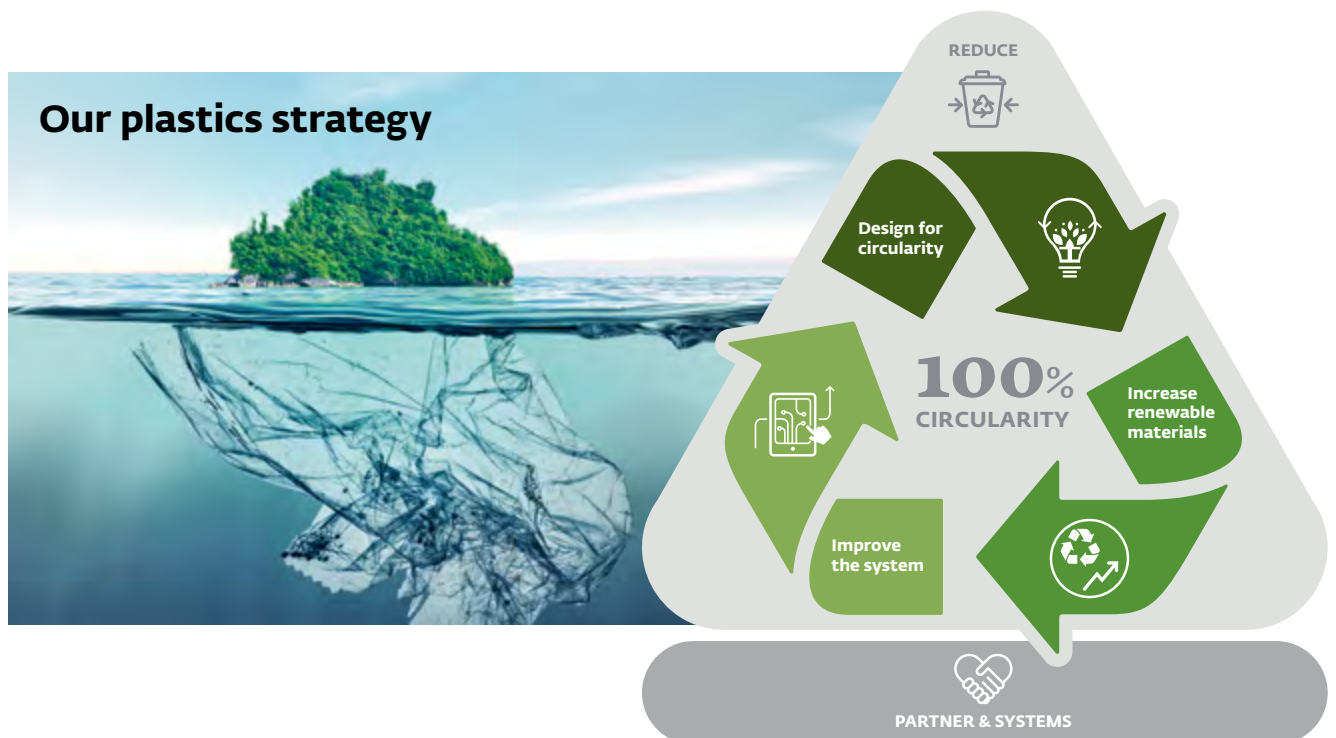


There is an urgency around the climate crisis, as we all know, and urgent solutions are required but it will 'take time to go fast' before we can become 100% circular with plastics. The way forward will require business agility and anticipating trends and may require investments. That's why it is important to remain positive and resilient on the topic.


At the beginning of our journey to 100% plastic circularity, we have a strategy and a roadmap in place to replace all single-use plastics by eco-friendly alternatives by 2030. We have appointed a Global Head of Plastic Circularity and new governance has been drawn up to facilitate the implementation of solutions in our operations. This enabled us to develop guidelines during 2021 to help our teams on the ground and we are also developing educational tools to share knowledge, learnings and information.

A detailed 'Plastic Book' is being prepared to better understand our detailed plastic footprint. This detail is important in order to set priorities, be ready for new regulations or compliance schemes, innovate and follow our progress.

We are undertaking a long-term journey, and as 100% plastic circularity is our final goal, anticipation is key to do good things in a good way. The journey will be guided by a strategy to support our long-term vision for sustainable plastics. This strategy is articulated around three main axes: designing our packaging to be more circular, increasing the renewable materials content and improving the system for the end of life of our plastics. On top of this, reducing our plastic usage and consumption should first be integrated in all our actions. Partnerships and systems will be powerful enablers in our journey.



# Reducing the amount of waste we produce

Focus area	Target	Status 2021	Actions and measures
Waste <div>  </div>	Reduce waste by <b>4%</b> per tonne of product, year-on-year average (baseline 2015)	<b>-2%</b> <sup>1</sup>	<ul style="list-style-type: none"> <li>• Applying circular principles in product design, sourcing, manufacturing and packaging</li> <li>• Upcycling to re-use materials normally disposed of</li> <li>• Acting on the principle of 'no waste by design'</li> </ul>

1. Absolute reduction since 2015.

We need to pursue a culture of waste elimination by managing all our waste streams. Appropriate waste management helps to limit our impact on the environment, and reducing waste allows us to reduce the costs of production.

As we work to reduce waste we are adopting circular principles in product design, sourcing, manufacturing and packaging. We are also upcycling to create new and innovative products.

**Reducing waste by adopting circular principles**  
Our approach is based on the concepts of 'rethink', 'reduce', 'reuse', 'recycle' and 'recover' in reducing the amount of waste we produce. We rethink the way we have dealt with waste in the past; we reduce the amount we create as a by-product of our processes; and we reuse where possible and recycle in an effort to move away from disposal in landfill or by incineration. Where waste is incinerated, we recapture the energy.

Our target is to reduce incinerated and landfilled waste production per tonne of product by an average of 4% year on year against the 2015 baseline figure, and in 2021 we reached an absolute reduction of 2% compared to 2015.

During 2021, the amount of waste sent for incineration with and without energy recovery, and landfill per tonne of product increased by 9% compared to the 2020 figure. This is due to product mix evolution as well as specific liquid discharges being separated from the waste water flows and being treated separately.

The amount of waste diverted from disposal per tonne of product has increased by 44% since 2015. The reduction of landfill is also a priority and half of our sites (31 out of 62) are without landfill waste.

At our Jaguaré site in Brazil the local Green Team set out to reduce the impact of the disposal of site waste on the environment. The team's project focussed on 'closing the cycle', or reverse logistics, which is used to return some materials to the production process. This resulted in reduced production costs, while recycling reduced landfill and saved water and energy, and composting created organic matter for use as fertiliser. 76% of waste generated by the site is now treated through reverse logistics, recycling and composting.

**We are making strong progress:**  
**More than 70% of our waste is of our waste is either reused, recycled or recovered. 50% of our sites achieved zero-waste to landfill in 2021.**

## Upcycling: from side stream to mainstream

We see upcycling as an opportunity that can guide us in continuing to innovate and improve our ingredients portfolio while reducing the impact of our products. It involves transforming co-products, waste materials, useless or unwanted products into new ingredients for products that are more sustainable. Upcycled materials are obtained from the re-use of natural or synthetic materials that are normally disposed of or downgraded.

Upcycling is a cross-business, cross-functional programme that supports our purpose. The programme shows how we strive to use our business as a force for good. It is also an area of growing interest. For example, cosmetic products containing recycled or upcycled ingredients increasingly appeal to consumers, mostly in Brazil and China.

Our portfolio of upcycled materials increased in 2021 with for example, our Active Beauty business launching Omegablue®, a cosmetic ingredient created from upcycled wild bilberries used for skin repair. Also during the year, an upcycled peach alcoholate Orpur® was introduced to enrich the palettes of perfumers and flavourists. This new ingredient, which can be used in a range of products, is the result of a successful collaboration across the Company. Our interest in upcycled materials extends even to garlic, where leftover waste after normal extraction processes at our site in Chicago, USA is used to produce a paste that can be added to seasoning design.

While upcycling is our action, 'no waste by design' is our motivation. It underlies our search to valorise side streams by considering, from the design, what a raw material can offer in full. An example of how we consider the full circle is the harvesting of vetiver, the roots of which are predominantly used to craft a vetiver oil for fragrance. From the exhausted vetiver roots, the by-product of the extraction procedure, our Active Beauty team makes Vetivyné™ using water-soluble extraction techniques. In addition, through our long-standing involvement in the supply chain in Haiti, where vetiver mainly originates, applying the principle of 'no waste by design' has supported a local cooperative of vetiver root producers and established a programme to ensure the social and environmental responsibility of vetiver production.

EAST HANOVER, USA

## Upcycling discarded solvents

The aim was to reduce waste and greenhouse gas emissions at this site, which has both liquids and naturals production.

For liquids, the team created a process that recovers and reuses oils from washed extracts so that the discarded citrus oils can be reused for future products. While in naturals, the team identified how solvents such as alcohol and ethyl acetate can be recovered and reused.

The achievements: upcycled 190,000 kgs of solvent/oil in a 12-month period, saving USD 30,000 on waste disposal fees and USD 616,000 on raw materials; 108 tonnes of carbon dioxide were also saved.

Contributing to the United Nations Sustainable Development Goals (SDG)





# PEOPLE

Our purpose goal 'that Givaudan is a place where everyone loves to be and grow' contributes to the following SDGs:



## IN THIS CHAPTER

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# Working for a company that does well – and does good

**Our people want to work for a company that does well and does good. A place where people love to be and grow.**

They are passionate about their work, committed to our purpose, and contribute significantly to our success. Achieving our business goals relies on this engaged workforce and we are committed to providing a safe, healthy and inclusive work environment where everyone loves to be and grow.

As we strive to improve health and happiness, our first priority in 2021 has been to support and guide employees who are returning to work in person in a world where COVID-19 remains a factor. Across our global business, countries are at different stages in this transition, so we have provided guidance to managers on how to open up more fully in line with local regulations, for example on vaccination and testing, hygiene and safety, and travel rules.

This transition to a new world of work, however, goes much deeper. Together with employees we are collaborating on new, hybrid ways of working and interacting between ourselves and with our customers. Many of these have emerged from our learnings during the pandemic so far, for example, better and simpler business processes, smarter travel and business visits, and better use of office space.

One key global initiative is our Flexible Work Framework, a toolkit which provides structure and support to allow regions and local sites adjust to local needs, regulations and ways of working. The toolkit was received positively and managers find it accessible, easy to use and relevant. Through best practices and case studies, it answers many questions about the benefits of flexible working for employees and teams, about what flexible work means really, and how it works 'on the ground'.

## Development opportunities

We continue to enhance opportunities for people to develop, especially in today's changed circumstances. Guided by our purpose, we want to offer opportunities for decent work and

growth so all employees are satisfied in their jobs through autonomy, variety and a supportive and inclusive organisational culture. Development is key to this.

As work became largely virtual, and now hybrid, we have maintained our training offerings through different online approaches designed to create engaging experiences. An important part of this has been supporting managers to continue developing as leaders, even while working remotely. Through virtual sessions, managers have been able to learn and improve their skills in areas such as remote management and presentation skills.

In addition, our Global Learning Catalogue, which has run successfully for the past six years, became virtual. All courses are interactive, as if in a classroom setting, and 147 had been delivered by the end of 2021.

## Leadership Senses

Our long-established Leadership Senses curriculum, based on the concept of nurturing and developing talent from within the Company, was redesigned during 2021 with various inputs including feedback from 300 managers and participants, our purpose and 2025 strategy, and case studies from leading organisations. The new programmes are redesigned to accelerate development of effective leadership behaviours of our key talent who will shape the organisation's future.

The five programmes of Leadership Senses – Discover, Begin, Grow, Evolve and Enhance – offer sequential steps in building leadership skills at every stage of a person's career journey. The foundational programmes designed for front-line leaders, new or newly promoted manager, had 1,105 participants in total since the initial launch. The New Begin and Grow programmes were piloted in 2021 with 99 participants. These two courses are designed to introduce front-line managers and supervisors



to the concepts of leadership before they have full line responsibility for a team. Taking all programmes into consideration, 1,292 managers took part in the leadership programmes since the launch in 2015.

**Since the launch of our leadership programmes in 2015, a total of 1,292 of 2,300 targeted managers have been trained<sup>1</sup> – of which 50% are in our leadership pool.**

### Expanding learning opportunities

During 2021, we added LinkedIn Learning to offer 'just-in-time' training to many more of our employees across all locations when and where they need it, and we are following a phased plan to reach more of them. In 2021, 3,000 employees joined and we also introduced the role of Learning Champions who facilitate training for their entire team. By December 2021 there were 2,066 activated users and 71 Learning Champions.

Local training continued to complement our global initiatives. The starting point is often a performance discussion, and development can be mentoring or on-the-job training for an employee's career path. For example, we have specific mentoring initiatives and trainee programmes for flavourists, in operations, and for management trainees. There is also a sales academy in Taste & Wellbeing and the Givaudan Perfumery School in Fragrance & Beauty. In addition, a new initiative in 2021 was the 'Sharpist Coaching' piloted in Zurich, with about 10 employees taking part in a pilot that featured one-to-one video calls with a professional coach and individually curated learning content that complemented many of our programmes.

Local efforts also provide customised initiatives. In India, for example, the human resource teams designed and introduced a training plan and calendar customised to the local employees.

And in China, the local team ran workshops to help employees develop a growth mindset, which brought both personal and business benefits. As well as the workshops, employees were provided resources such as videos, audio books and live streams to apply a growth mindset around the topics including self-awareness, enhancing capacity and cultivating learning as a habit.

Underlining the importance of equipping employees with skillsets to help them succeed in the changing environment, an 'Upskilling Yourself' programme was introduced by Fragrance & Beauty in Asia Pacific. A survey in the region identified three

skills that employees wanted to focus on: communication in a virtual environment, influencing stakeholders remotely, and engaging teams virtually. Nearly 400 training seats were provided to Fragrance & Beauty employees in the region.

### Targeting new talent

With the move to virtual working, we also redesigned our onboarding training, the ONE Givaudan programme. It supports new joiners to better understand our culture and business and builds networks that will be vital to their success. The programme changed from a two-day, in-person training to a four-week, virtual experience that can be implemented regionally. As part of this redesign, the content was updated and enhanced to align with our purpose and 2025 strategy.

With ONE Givaudan as the core for onboarding, we add specific training to integrate employees who have joined as a result of acquisitions: we added toolkits and training in topics such as in compensation and benefits; and we have a consistent approach and structured framework to align the way we bring these new employees into our people management practices. In the past three years, about 3,500 people have been integrated into our Company.

Talent acquisition followed a similar virtual path with more than 4,073 video interviews undertaken in 2021. In recruitment marketing, we piloted tools that will help us create more impactful and inclusive job advertisements to attract, engage and assess top talent faster, in line with being a more balanced and inclusive company.

### Building a place where we all love to be and grow

We have evolved our employee listening approach in order to measure progress against our ambition to be a place where we all love to be and grow.

We revamped our Employee Engagement Survey in 2021, randomly selecting 2,000 employees during the year to gain their views about the Company with additional questions including inclusion so we can obtain a benchmark for measuring progress in this ambition. We plan to conduct a full Employee Engagement Survey in 2022 and to hold them more regularly than the usual three-year interval.

The 2021 sample survey results were generally positive and show we are moving in the right direction. Overall, we have a strong engagement and an increase across all areas. We are analysing the survey data and will share the results with employees, and will create initiatives for 2022 and beyond.

1. This programme was piloted in late 2014 with 35 participants, and in 2021 we redefined and focussed the scope of the targeted population.



## FOCUS STORY

# CREATING A COMMUNITY WITH PURPOSE

Our continuing programme Imagine helps employees understand our purpose, and gives them space to personally connect to it. In 2021, we invited everyone to Imagine.

“ Our purpose is more than just a well-meaning statement. It is about who we are and who we want to be, and importantly, why we do what we do. Our purpose is owned and lived by all of us – and we can only deliver on our ambitions if we all embrace it in our hearts, heads and hands. ”

Martha, Purpose Project Lead

## Thoughts from employees

### Creations

“Our innovations are based around the importance of happier, healthier lives.”

Claude, Perfumer



**Creating for happier, healthier lives with love for nature**  
Let's imagine together



### Communities

“We are a business that touches the lives of billions of consumers every day through our products, and we are in a business where we can make a difference to the communities in which we operate and connect to.”

Saulo, Head of Social Innovation

### Nature

“Our policy of 'reduce', 'reuse', and 'recycle' and our ambitious goal to become a climate-positive business by 2050 shows our commitment to addressing climate change and our desire to be responsible stewards of the environment.”

Bing, Head of Utilities



### People

“We're part of a family of 16,000 colleagues. That's 16,000 opportunities to build friendships with passionate individuals who share the same purpose, of creating happier, healthier lives.”

Shoon, Head of Diversity & Inclusion





**We can only achieve our ambition to be a force for good if we all work together. When we shared our purpose of 'Creating for happier, healthier lives' with the world in 2019, it was a first step. To reach our potential we want to help every colleague to engage and to build a deep sense of community.**

Imagine is an invitation for all colleagues at Givaudan to come together to explore our purpose. In practice, that means helping people understand our purpose, ambitions and goals, and how they will drive business growth. To bring our purpose to life, it is critical that we share concrete examples and practical actions to help people see the links with their everyday roles and discover new ones.

"Imagine is the result of collaboration of colleagues all over the world, and as the programme evolves we'll find new ways to help us all live our purpose," adds Martha.

We took the opportunity of new, virtual ways of working to invite colleagues to co-create the programme. More than 150 employees took part in its development, suggesting stories, examples and different ways to bring our purpose to life. By running the programme on a virtual platform we had the advantage that more people could attend, bringing together colleagues from all countries and roles. The virtual approach also allowed us to cross language barriers, translating the content into the 18 most commonly spoken languages at Givaudan.

Imagine was an invitation to inspire colleagues and to share ideas. One of the ways we did this was through Imagine Playlists, a simple way for employees to share material that has inspired them around our purpose: books, articles, podcasts, documentaries, films, music and more. We used simple tools to encourage new ways of doing things, ranging from small challenges which fostered new behaviours, such as having coffee with a colleague they didn't know, to team conversation-starters about focus topics.

Martha adds: "We know that purpose is a topic that many people are enthusiastic about, so we also invited people to join our community of Imagine Ambassadors. This was an opportunity to use their personal passions and creativity to spread the word and get others involved. We're proud of our team of 150 Imagine Ambassadors and the connections and energy that they've created."

Imagine is designed to be accessible for every colleague, everywhere. It is flexible and adaptable for different timelines and formats. It has a digital home, an interactive space where people can engage and catch up as well as materials for those front-line workers whose roles are offline.

**With Imagine Live I feel involved in the future. I feel that I can make a difference and contribute to the bigger picture.**

Sabine, Operations Management Trainee

**I was able to show how proud I am to be in a company that values diversity.**

Olumide, Operations Manager

We took the pivotal moment of COP26 to use the Imagine platform to engage our colleagues on our climate positivity journey. In the form of the first-ever all employee live townhall, CEO Gilles Andrier and other leaders from Givaudan shared why the climate topic is so important to each and everyone one of us, how at Givaudan we are working towards this goal and what each of us can do to contribute.

For 2022 and beyond, we will continue to build on the energy created by Imagine deepening understanding of our purpose in action with a focus on strategic priorities at global level and locally relevant activities. "Our goal is to move towards our purpose being an intrinsic lens for decision making, actions and behaviours at every level of the business, with local ownership and global impact," Martha concludes.

Contributing to the United Nations Sustainable Development Goals (SDG)






# Towards a more balanced, inclusive company

OUR AMBITION

Before 2030, we will be an even more balanced and inclusive company.

Focus area	Targets	Status 2021	Actions and measures
<div>Diversity and inclusion</div> <div></div>	We will be rated amongst the <b>leading employers for inclusion</b> globally <b>before 2025</b>	<b>in progress</b>	Building more inclusive hiring practices: <ul style="list-style-type: none"><li>• Inclusive job ads</li><li>• Balanced slates for hiring and promotion</li><li>• Hiring manager training</li></ul>
	<b>50%</b> of our senior leaders will be from <b>high growth markets</b> <b>before 2030</b> (baseline 2018)	<b>26%</b>	Fostering inclusive leadership development: <ul style="list-style-type: none"><li>• Evolving our Leadership development programmes</li><li>• Better Balance approach</li><li>• Managing unconscious bias at work</li></ul>
	<b>50%</b> of our senior leaders will be <b>women</b> <b>before 2030</b> (baseline 2018)	<b>26%</b>	

Our ambition is to become a more balanced company, strengthened by the diversity of employees and inclusivity for all. Diversity drives our innovation and creates closer connections between employees, customers and partners. Both diversity and inclusion are vital for encouraging employees to bring their whole selves to work, making them feel welcomed and inspired to do their best, and allowing them to enjoy a sense of belonging.

We have set ourselves the target that, by 2025, we will be rated among the leading employers for inclusion globally; 50% of our senior leaders will be from high growth markets; and 50% of our senior leaders will be women.

### Better Balance

One of our major initiatives is Better Balance, an approach which supports these goals by evolving our leadership mix to better reflect consumer and market demographics while embracing diversity in all its forms. As part of Better Balance, we have dialogue sessions which consist of two discussions, each two hours in length, to provide an opportunity for senior leaders to connect with colleagues. Since the launch in 2020, 361 people took part in these sessions.

Complementing Better Balance is our Leader Connect programme, which enables members of the Executive Committee and other senior leaders to build connections and strengthen networks within the Company that can support accelerated development, confidence and potential development opportunities.

### Preventing unconscious bias

In becoming more inclusive, it is important for our leaders to be aware of unconscious bias and how to disrupt and manage this bias to become more inclusive. During the year we held workshops for managers and our HR teams to help us gain awareness of unconscious bias and provided practice to identify bias in the workplace. This training, which also provided practical tools to manage unconscious bias, was attended by 309 people in 2021.

We also held revised, interactive instructor-led virtual training for hiring managers, 'Selecting the Best - Imagine Tomorrow', which highlighted factors such as understanding where unconscious bias is likely to occur during the recruitment process. Three modules included a section on appreciating the potential that recruiting more diverse profiles or talent can bring to the business and how best these types of profiles can be recruited. Launched in the last quarter of 2021, 68 people took part in this training.

## Givaudan Mexico recognised as 'Super company for women'

RANKED 13<sup>TH</sup> OUT OF 100

“I feel safe here. Gender equality is promoted as part of our culture.” Daniela

“Givaudan has been evolving to achieve the diversity and inclusion that it has and to ensure that everyone has a voice that can be heard.” Enrique

“This Company is unique because it inspires me; I can be who I am within a place that gives me infinite options to create, inspire and learn.” Paulina

### Givaudan employees

	2021	2020
<b>Total number of full-time employees<sup>1</sup></b>	<b>16,842</b>	<b>15,852</b>
<b>Total head count<sup>2</sup></b>	<b>14,128</b>	<b>12,807</b>
<b>Total number of employees (head count)</b>		
Women	5,579	5,026
Men	8,549	7,781
<b>New employee hires</b>		
Women	878	684
Men	1,454	948
<b>Turnover rate</b>		
Women	10%	8%
Men	10%	9%

1. This is defined as equivalent full-time employees and includes acquisitions (Activ International, Vika B.V., Naturex, Centroflora, Expressions Parfumées, Albert-Vieille, Golden Frog, Ungerer, drom, Fragrance Oil, Alderys, DDW and Custom Essence).

2. This is defined as the number of physical people and includes internal temporary and regular employees. In 2020 it includes Activ International and all other acquisitions excluded. In 2021 it includes Activ International and drom integrated entities and all other acquisitions excluded.

## Compensation, a key driver

Decent work and gender equality will be affected positively by ensuring equal pay for equal work. We monitor gender pay equity to identify any outstanding pay gaps and ensure they are promptly addressed. These annual global studies are conducted in our key markets and in accordance with the methodology of the Swiss Federal Office for Gender Equity. Results for the Givaudan Group globally show that the average base salary difference between men and women is 1.4% for equivalent roles and skill sets. For total cash compensation (fixed and variable pay) the difference is also 1.4%. In 2021, our sites in Switzerland received an equal pay certification, recognition as a fair employer. The Swiss Fair-ON-Pay certificate was received following a review by quality controller SGS, in accordance with the recognised statistical methods.

In addition, our compensation policies are an essential component of our employee value proposition and a key driver of both individual and business performance. A robust process and continuously updated rewards strategy for employees is in place to ensure our compensation offering is competitive and enables us to attract, motivate and retain qualified employees. For our senior managers, our Performance Share Plan is fully aligned with the purpose ambitions for climate, diversity and inclusion, and employee safety. Thus performance is measured using financial key performance indicators as well as social and environmental targets.

### READ MORE

For a more detailed explanation of our compensation mix ▶ page 129 ▶ **Setting incentives to create value**

## Equal pay certification

As part of its commitment to being an inclusive and balanced employer, Givaudan obtained the equal pay certification in July 2021 for all sites in Switzerland.



# Nurturing a safe and healthy workplace

OUR AMBITION

Before 2025, we will improve how we care for all of our people.

Focus area	Targets	Status 2021	Actions and measures
<b>Caring for employee safety, health and mental wellbeing</b> 	We will reduce our total recordable injury rate by <b>50% before 2025</b> (baseline 2018)	<b>-22%</b>	<ul style="list-style-type: none"><li>Investing in our plant and technical equipment</li><li>Further developing our Responsible Care Management System</li><li>Conducting periodic assessment of risk and control on-site</li><li>Expanding our behavioural safety programme: advanced safety leadership training and comprehensive worker trainings on health and safety</li></ul>
	Everyone on our sites will have <b>access to mental and physical health initiatives, tools and training before 2025</b>	<b>in progress</b>	<p>Providing access to mental and physical health initiatives, tools and training for all employees such as:</p> <ul style="list-style-type: none"><li>Employee assistance programme</li><li>Happier, healthier habits circles, health and wellbeing communities of practice</li></ul>

By taking care of employees through all aspects of their lives we can help them with the energy, mental focus and emotional drive needed to power our business. Somebody who feels great and has the support they need is in a better position to engage, be productive and succeed. To build on this, we have set ourselves the target that by 2025 we will improve how we care for all our people through offering everyone at our sites access to mental and physical health initiatives, tools and training and by reducing our total recordable injury rate by 50%.

We launched our 'Happier, Healthier Habits' campaign in 2020 to foster connections between colleagues and offer guidance on physical and mental health. This initiative was continued in 2021 through 'Happier Healthier Habits Circles'. In addition, a second series called 'Connecting for #climatepositivity' invited employees to explore how building connections with each other and nature can lead to many positive outcomes such as better relationships, more positive conversations and the ability to find calm and resilience.

This approach of building connections is also seen with 'Health & Wellbeing Communities of Practice', launched globally during the year as a forum for sharing common interest and best practice in health and wellbeing initiatives. Involving employees from North America, Latin America, the UK and Dubai, topics included strategies for better sleep, demonstrations of cooking to aid mental health, and the benefits of family activities. Many more local initiatives focusing on physical and mental health and wellbeing took place, including badminton tournaments in China, health coaching in North America, a 'workout for good' challenge in Singapore, and a 21-day mindfulness challenge in Oceania.

Also as part of our global health and wellbeing programme, we added a further initiative to encourage connections through an app available in the nine key languages of our sites. 'Coffee Talk' is designed to connect colleagues and help widen the circles and networks in all business areas. It is important to create a community and to promote a positive work environment – just as it is important for individual health and wellbeing.



A programme to help employees in all aspects of their lives is our Employee Assistance Programme (EAP). Provided by an external partner, this confidential tool supports employees and their families who have personal problems that might adversely impact their work performance, health and wellbeing. These might range from mental and physical issues to social and financial difficulties. EAP offers a 24/7 online help point in multiple languages as well as telephone advice with local consultants. It was fully rolled out in 2021.

## We go beyond rules and processes to create a safe and secure work environment.

All these initiatives show how we are building the necessary tools and training for a caring culture. It is about empowering our people to best manage their own mental and physical health.

### Our focus on safety

We work hard to create a culture of safety in our Company by caring together for our people and empowering everyone to safeguard the environment and protect people's health and safety. Our goal is to have everyone home safe every day and we actively promote a shared responsibility to reach this ambition. By caring together for our people and our place, we go beyond rules and processes to create a safe and secure work environment. It is by acting together that we will achieve our ambition to reduce our total recordable injury rate by 50% by 2025.

### Health and safety indicators

	2018	2020	2021
Number of Total Recordable Cases (TRC) <sup>1</sup>	130	115	180
Fatalities	0	0	0
Number of LTIs	24	32	59
Number of Restricted Work Cases (RWC)	56	46	63
Number of Medical Treatment Cases (MTC)	50	37	58
Total Recordable Case Rate	1.33	0.88	1.04
LTI rate	0.25	0.25	0.34
Number of lost days <sup>2</sup>	645	998	855
Lost day rate <sup>3</sup>	6.61	7.65	4.95
Number of hours worked <sup>4</sup>	19,503,663	26,094,174	34,544,283
Absenteeism <sup>5</sup>	2.7%	2.9%	3.6%

1. TRC is according to the official OSHA definition. in 2021 acquisitions included.

2. 2020 includes 73 days carried over from previous year. 2021 includes 21 days carried over from previous year.

3. Number of lost work days resulting from work-related accidents per 200,000 working hours. Calculation based on scheduled work days lost from the day after the accident.

4. 8.9% of these represent external contractors for whom the Company is liable.

5. Compared to the number of normal available working days, includes correction for employees working on a part-time basis. With regards to COVID-19, only absences due to positive tests are in scope.



## Excelling in health and safety everywhere, every day

Impressive safety records have been set at two of our production sites in India, with no recordable case injuries at Jigani for more than nine years and none at Daman for over twelve years.

This success is the result of a positive health and safety culture that stems from the engagement of leaders and team-focussed efforts addressing people, training and processes. By working together in cross-functional teams, Jigani has ensured the right foundations are in place, while a tailored training programme at Daman empowers everyone to act in a safe and healthy way.

Creating awareness is also a priority. Jigani townhall and daily department meetings start with a health and safety moment, and both sites organise engagement events for employees, including activities for families and the community, extending the culture of care beyond the sites.

This safety behaviour has been applied at our site in Pune where we had no lost time injuries since the production at this factory started in 2019.

Contributing to the United Nations Sustainable Development Goals (SDG)



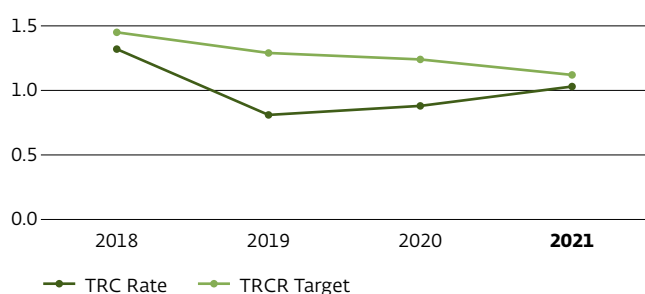
**By engaging everyone, everywhere and every day, safety is a natural part of our everyday practices – essential in achieving our ambition of getting everyone home safe every day.**

Our health and safety programmes support continuous improvement and reaching our purpose ambitions. For example, our long-term facilitator programme has been maintained during the pandemic with support for production sites and our online train-the-trainer sessions for facilitators increased the global reach. In 2021, 52 facilitators were trained in 9 countries.

A further innovative tool to support our safety efforts is a behavioural safety approach called HOP (Human and Organizational Performance), a science-based approach that looks at human errors which can be made and offers employees the information and tools required to make better-informed decisions concerning safety. It builds an understanding of how people perform and how we can build systems that are more tolerant to error. The initial implementation phase in 2021 involved eight sites in the Europe, Africa and Middle East region, and further rollouts are planned.

Engagement events continued to raise awareness and promote a strong, positive and long-term culture of health and safety that encompasses everybody, wherever they work. We introduced the idea of 'heroes' at sites, recognising the efforts of many people whose actions may go unnoticed yet make a big difference by caring for our people and our place. From the actions of volunteer firefighters in Mexico to the inspiring leadership in the pandemic shown by an individual manager in Iran, we have many people whose actions speak louder than words.

2021 Safety performance – 'Everyone Home Safe everyday'



**In 2021, we have reduced our recordable injury rate by -22% since 2018.**

Our occupational health programmes to manage physical risks continued with our focus on ergonomics. With Humantech Industrial Ergonomics software, sites focus on assessing activities and identifying ergonomic risks to improve performance and reduce risk in the workplace. A total of 257 ergonomic assessments were completed at 35 production sites by the end of 2021. In addition, we started trialling wearable technology, called SoterSpine, for improving physical wellbeing in the workplace. This device and app-based training programme enables employees to improve ergonomic practices and avoid physical injury. This first pilot was at our sites in North America, and we plan to extend the use of this technology in 2022.

The Humantech platform also enables employees to perform self-assessments of their individual computer workstations, resulting in recommendations for correct workplace set-ups and office habits that help in the prevention of musculoskeletal disorders. In 2021, about 943 employees completed the e-learning course and more than 829 self-assessments were entered throughout the year. Since the programme launched in 2020, more than 2,740 employees have completed the e-learning course and more than 3,000 self-assessments have been entered.

In safety training, we launched the third phase of a fire safety campaign, focusing on awareness and building competences through a train-the-trainer model. In 2021, we conducted 23 sessions, with more than 200 employees trained at our operations sites. The campaign is expected to be completed in mid-2022.

We drive continuous improvement in health and safety performance with the guidance of our Responsible Care® Management System (RCMS), which helps us in safeguarding and protecting what matters most, not least in protecting our people and ensuring a great work environment. In 2021 under RCMS, we introduced new global standards and guidelines on exposure control, fire safety and machine safety.

In helping meet our ambition to reduce our total recordable injury rate (TRCR) by 50% by 2025 compared to the 2018 baseline, we are expanding our focus to take into account all medical cases as well as lost time injuries (LTIs). Our TRCR is the total of lost time injuries, restricted work cases and medical treatment cases per 200,000 hours worked. The number of actual cases increased relative to previous years because of the inclusion of cases from recently acquired companies, yet the reduction in our recordable injury rate points to our success in embedding a positive and long-term culture of health and safety. We are well on track to reaching our target.



# COMMUNITIES

Our purpose goal 'that all communities benefit by working with Givaudan' contributes to the following SDGs:



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Stronger communities, sustainable business \_\_\_\_\_ 104

# Our purpose commitment to responsible sourcing

## OUR AMBITION

By 2030, we will source all materials and services in a way that protects people and the environment.

Focus area	Target	Status 2021	Actions and measures
<b>Sourcing responsibly</b> 	<b>100%</b> of materials and services sourced responsibly <b>by 2030</b> (baseline 2021)	<b>in progress</b>	<ul style="list-style-type: none"> <li>• Implementation of our Sourcing4Good programme</li> <li>• Responsible sourcing policy</li> </ul>

We have always shown leadership in responsible sourcing, traceability, and transparency to meet our suppliers', communities', customers', and consumers' social and environmental needs and expectations. We were the first in the industry to publish a Responsible Sourcing Policy in 2016, and our new Sourcing4Good programme in 2021 builds on this leadership, reflecting our ambition to be B Corp certified and our purpose ambition to source all materials and services in a way that protects people and the environment by 2030.

Sourcing4Good will help accelerate our actions to benefit workers at factory, farm and collector level, promote sustainable agricultural practices and preserve wild harvest supply chains. It will also contribute to the reduction of our supply chain environmental footprints, promote biodiversity and benefit the communities from where we source.

This programme is designed to be flexible, collaborative, transformational and beneficial for all. It will reduce risk, increase transparency, and allow greater traceability and data visibility. Improved technology will allow us to collate data from all of our active suppliers so we can better classify and quantify these partnerships. Our ultimate aim is a full portfolio of ingredients, materials and services that will be sourced responsibly.

Sourcing4Good covers all of our active suppliers and applies to all natural and synthetic materials as well as indirect materials and services (IM&S). Suppliers can expect a wide variety of benefits including greater access to the market, capacity building and empowerment, and the opportunity for continuous improvement.

We expect our suppliers to share our commitment to respecting human rights, providing clean and safe working conditions, promoting good agricultural and collection practices, animal welfare and environmental stewardship. To these ends,

### Supplier management

**CHF 3.8 bn** procurement spend

**3,000** raw material suppliers in > 90 countries

**13,000** additional global partners supplying indirect materials and services

## Our positive impact with ingredients

Through our experience of sourcing raw materials and expert internal teams, we have attained a leading position in the industry for end-to-end responsible sourcing. Going beyond compliance in selected supply chains we increase our positive impact with collaborative transformational projects with the Givaudan Foundation:

### THANKS TO VETIVER

We build infrastructure and provide **access to water and electricity** in Haiti.



### THANKS TO LAVENDER

We **research preservation and resilience to climate change** in France.



### THANKS TO BENZOIN

We **built schools** in Laos.



### THANKS TO JASMIN FLOWER

We are partnering to **implement the Sourcing4Good programme** and auditing our floral ingredients supply chain in India.



Sourcing4Good includes the status of our suppliers and materials and the levels of rigour and partnerships in place. There are four levels of supplier status, ranging from those just starting on their responsible sourcing journey to those involved in in-depth, transformational partnerships. This is meant to increase transparency, reduce risk and generate greater traceability and data.

The four levels help us define the right level of supplier engagement, activities and efforts across our full portfolio of spend in naturals, synthetics and Indirect Materials & Services (IM&S).

## The four levels of Sourcing4Good

### Active level

Our suppliers are made aware of responsible sourcing practices and expectations through our Responsible Sourcing Policy. Available on our website, this policy details the principles and standards that we require all of our suppliers to meet. Awareness of this policy is required for materials and services at the start of their 'sourced responsibly' journey. We have over 16,000 suppliers and we aim to engage all of them at this level.

Our active suppliers are required to acknowledge and adhere to our Responsible Sourcing Policy and it applies to all our suppliers. It includes any primary producers of raw materials, suppliers of raw materials, intermediate materials, intermediary suppliers and service providers. The policy is applicable to all sites and workers and employees of any supplier (including permanent, temporary, contract agency and migrant workers), as well as sub-contractors, agents and subsidiaries.

The policy contains overarching requirements that apply to all areas of the supply chain, as well as some specific requirements pertaining to naturals, synthetics and Indirect Materials & Services (IM&S) Suppliers, which provide more depth and clarity on certain topics.

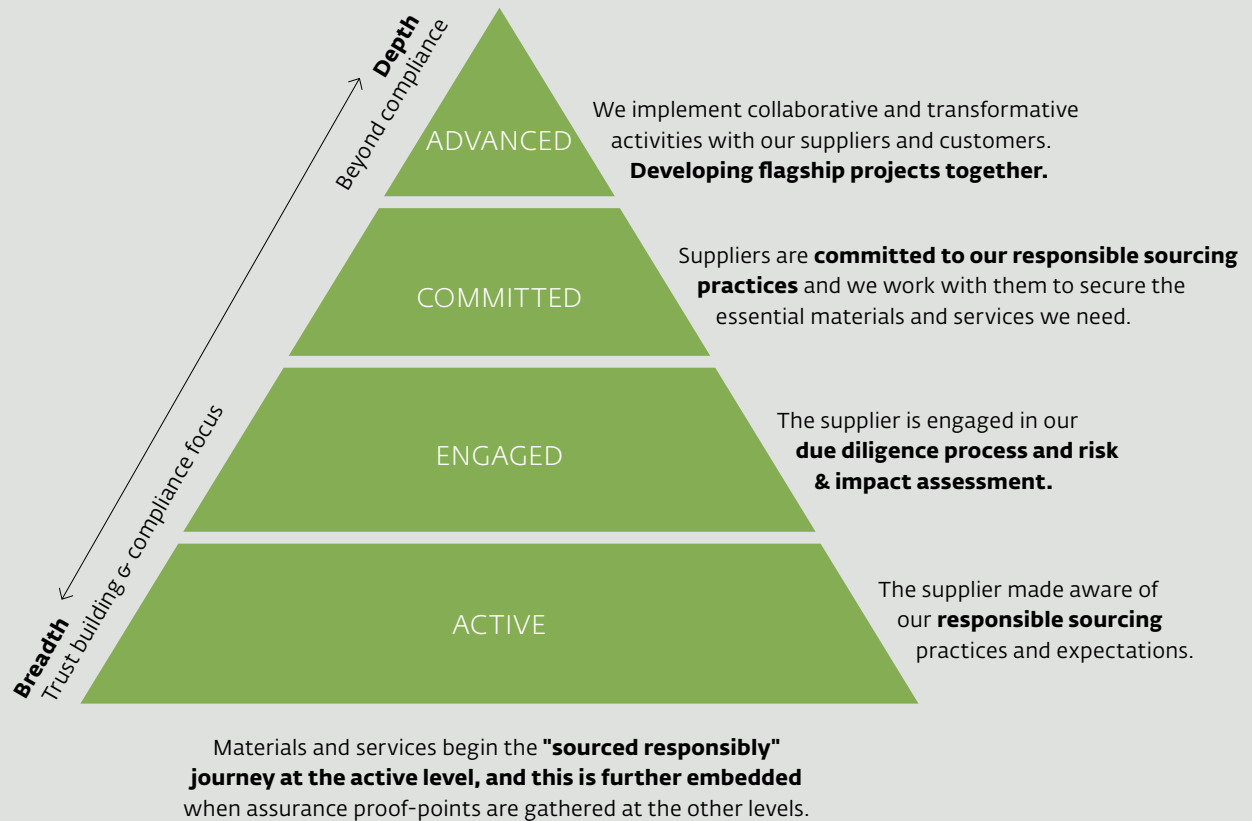
Our previous RS Policy has been sent to more than 14,000 of our raw material and Indirect Materials & Services (IM&S) suppliers. Since the update of the policy with the 2021 launch of the Sourcing4Good programme, we have sent this document to more than 2,170 raw material suppliers, representing 96% of the spend. We aim to reach our remaining active suppliers with the updated Responsible Sourcing Policy in 2022. We will continue this action in the years to come so that each new active supplier is included in this process.

### Engaged level

At the engaged level of our Sourcing4Good programme, Our 2021 target was to engage the suppliers included in the top 80% of spend and/or defined as strategic by the procurement team. We reached all suppliers in scope this year and had an 89% response rate as of 31 December 2021. Our new Due Diligence



## The four levels of SOURCING4GOOD



Questionnaire (DDQ) digital tool played a central role in allowing us to engage with 226 suppliers, representing 53 of the 158 prioritized Naturals materials families.

### Committed level

At the committed level of the Sourcing4Good programme, we aimed to cover 51 of the prioritised materials families for further verification by the end of 2021. We approach this through factory- and farm-level third party audits in selected supply chains based on internationally recognised standards such as SMETA, FSA and UEBT. For now, we have reached 38% of this target. Some audits had to be postponed either because certain harvest periods had already passed before the launch of Sourcing4Good in April 2021 or because of the continued COVID-19 situation. 2021 should be seen as a transition year: a period of acclimatisation is needed for our teams and suppliers to implement this new approach.

### Advanced level

At the advanced level, we have 24 projects ongoing in our supply chains. Our goal is to increase this number by starting new projects in collaboration with our customers and suppliers in the years to come.


#### READ MORE

2021 GRI Sustainability report ▶ pages 109–112 ▶ **the detailed scope of the four levels of supplier engagement in Sourcing4Good**

# Stronger communities, sustainable business

## OUR AMBITION

By 2030, we will improve the lives of millions of people in communities where we source and operate.

Focus area	Target	Status 2021	Actions and measures
Communities benefit by working with us 	Being defined	in progress	Through employee activities, Green Teams and the Givaudan Foundation develop initiatives that: <ul style="list-style-type: none"> <li>• Respond to the needs within communities</li> <li>• Support activities ranging from health and education to enhancing environmental and agricultural practices</li> </ul>

Safeguarding the future of the communities in which we work is not just the right thing to do – it’s also critical to our continued sustainable growth.

Givaudan has an impact on hundreds of communities around the world, and we make every effort to ensure it is a positive one. This is true for the local communities both where we source the ingredients that are essential to our business, and where we operate.

By responding to both long-term and immediate needs within communities we and our employees use our business expertise as a force for good. We create mutually beneficial relationships with economic, social and environmental opportunities that can improve lives. It’s about doing business in a meaningful way, driven by our purpose and our journey to become a certified B Corporation.

**We want to ensure the communities where we operate and where we source benefit from working with us.**

Our initiatives focus on our ambition to improve the lives of millions of people in communities where we source and operate by 2030.

### Supporting our producer communities

Givaudan needs a constant supply of thousands of ingredients, many of which are sourced from remote communities which can face environmental and economic pressures. We aim to lead in responsible sourcing, traceability, and transparency, and this begins in communities whose farmers cultivate our raw materials. We collaborate in many partnerships to build long-term environmental, social and economic benefits, which also ensures business sustainability and full traceability of our ingredients.

Farming communities in Madagascar provide two of these precious ingredients: vanilla, one of the world’s best-loved fragrances and a universal flavour favourite, and clove leaf oil, used in many of our creative fragrances.

The majority of the world’s vanilla comes from Madagascar, and for more than a decade Givaudan and the Givaudan Foundation have worked together with Malagasy smallholders on improving and diversifying farming activity.

Tools have been created to train vanilla farmers to improve the quality of their crops. 274 farmers who grow rice to feed their families have improved their rice cultivation practises. Villagers have learned how to develop alternative sources of income like fish and chicken farming or beekeeping, making them less dependent on vanilla during times of market volatility or the lean season between planting and harvesting

The wider community is also benefiting from the rural development programme supported by the Givaudan Foundation. In the activities focusing on education, health, water and hygiene, all decisions are made with the local communities, who are actively involved in implementation. As a result, over the years 28 schools have been built and educational materials supplied; wells providing clean water to more than 10,000 people have been built; health centres established; and people have been trained in COVID-specific hygiene practises. In 2021, a new public health centre was built and equipped, offering eight villages and more than 11,000 beneficiaries access to healthcare. In addition, we have responded to an aggravated shortage of classrooms with the construction of an additional school which will be finished in 2022.

Precious clove leaf oil comes from Analanjirofo in Madagascar. In a partnership with the local communities we have several initiatives to provide education, skills and equipment that drive higher incomes and improved livelihoods, now and for the next generations. In addition, farmers have learned agronomic practises, such as correct pruning which helps preserve the clove trees and improves production of clove buds.

Many more community initiatives are supported by the Givaudan Foundation, an independent not-for-profit organisation that has been funding projects to help build more secure futures for communities and their environments since 2014 in three areas, education, health and environment preservation. There are currently 67 projects in 29 countries, and pages 111–113 offer an overview of the great initiatives around the world. Other funding sources are Givaudan's COVID-19 Communities Fund and, in some countries, direct charitable giving.



## Madagascar vanilla

The Givaudan Foundation is promoting community development in terms of education, health, water, sanitation and hygiene, subsistence farming and income diversification.

**>29,000 beneficiaries**

### 2021 activities

- Building and equipping a new health centre offering vanilla farmers from 8 villages access to healthcare.
- Construction of a new school began in 2021.

## Madagascar clove leaf oil

Givaudan and the Givaudan Foundations are helping small-scale producers of clove leaf essential oil in the Analanjirofo region establish sustainable sources of firewood and improve their distillation equipment.



### 2021 activities

- more than 117,000 trees planted. The forests provide a sustainable source of energy for distilling clove leaf oil.
- Continued work to develop and promote environmentally friendly stills.

## Employees as a force for good

A second element of our support is for the communities in which we operate. This is where our more than 16,800 employees make an impact. Ideas can come from anyone, anywhere: everyone is encouraged to suggest community improvements, from small and simple to revolutionary or complex.



## The total financial contribution from Givaudan to communities in 2021 was CHF 2 million.

Green Teams, cross-functional groups of volunteer employees, have historically led activity in our operational sites. They are active at most locations; today, around 500 members are undertaking diverse community projects focusing on the broad themes of the environment, blindness, health, nutrition, education, plastics and general local community engagement opportunities. Over 25 projects were initiated by Green Teams in 2021.

Also during the past year, COVID-19 was still having a global impact. Where communities have been severely affected by the pandemic, our employees stepped in at short notice to support local organisations. This was funded by our COVID-19 Communities Fund, which was set up in 2020 at the height of the pandemic. In 2021 we allocated an additional CHF 500,000 to be distributed to those most impacted. By the end of 2021, we have been able to help almost 100,000 people in 137 communities around the world. These efforts enabled communities in some of the hardest hit countries to gain access to medical care, such as ambulances, ventilators and oxygen concentrators and personal protective equipment (PPE), and basic food supplies. Where the impact was critical, direct donations were made to enable local organisations to provide food and shelter for surrounding communities, education was delivered remotely and community training was given to help provide future income.

The COVID-19 Communities Fund inspired us to think about how we could build on the quick, targeted help it gave and enable sustainable change. It was the catalyst for PurposeLive!, a social innovation programme which was piloted in 2020 and united 156 volunteers from 47 locations worldwide. In 2021, the initiative evolved into Imagin8, a global community network designed to foster connections between employees and give them the structure they needed to begin working with their communities.

As our Imagin8 programme scaled up, employees are encouraged to see themselves as changemakers, exploring their personal connection to our purpose to accelerate improvements in social conditions. In the first phase, hundreds of ideas for positive climate action were put forward. The scope of activity has now widened to include improving mental health or increasing access to affordable, healthy products for more communities.

One very simple but innovative idea was to promote hand-washing among children. At the height of the pandemic in 2020, our employees saw the need to improve hand hygiene among children in poorer countries. Colleagues in Brazil, Malaysia, Nigeria,

Singapore, UK and the USA collaborated and in 2021 we were able to pilot a sustainable, colour-changing bar soap to encourage children to learn how to wash their hands through play. Using our Active Beauty Colour Explosion Beads, the white soap produces a coloured foam while scrubbing hands, which helps ensure children wash for the recommended 20 seconds. The team also worked with a digital agency to create an online game, Challenge 20, teaching the key steps of hand-washing routines. Players have 20 seconds to kill as many 'germs' on the hands as possible to progress to the next level.

Education is one of our focus areas, as it is vital for building confidence and capabilities for the future of communities. In Istanbul, Turkey, for example, the local Green Team responded to the plight of visually challenged children from low-income families who were starting to fall behind with their education as a result of lockdowns. With families unable to afford tutors, and a lack of books in Braille, the children could only attend online classes designed for regular students.

Givaudan employees volunteered to give private lessons to the children in elementary subjects such as chemistry, physics, geography, English, and history. An association for visually challenged people matched children with volunteers, depending on needs and skills offered. Supported by a grant from Givaudan Foundation, the project is a success story that can be replicated at other sites around the world.

### Having a positive impact on our communities

As we move forward, we aim to expand our reach and focus on creating an impact among the vulnerable. For us, this means ensuring we focus on women and girls, children, older adults, economically vulnerable people, and those with health vulnerabilities.

Through a better connection to our business and our expertise we can increase our impact on four specific areas:

- water, sanitation and hygiene (WASH)
- nutrition and food security
- economic resilience in our value chain
- mental health and wellbeing.

We are currently defining our ambitions for each of the impact areas, which will enable us to track progress and measure our success.

It's all about thriving together. Our communities' success and our own are intrinsically linked. By improving the lives of millions of people, we will continue to be a successful, sustainable business.



## FOCUS STORY

# SUPPORTING LOCAL COMMUNITIES WITH THE GIVAUDAN FOUNDATION

Through local community initiatives we ensure that we have a positive impact on the communities where we work and where we source our natural ingredients.

Contributing to the United Nations Sustainable Development Goals (SDG)



## Impact in numbers

**67** ongoing projects in 29 countries   **1,200** Givaudan volunteers   **64** partner organisations   **66,400** direct beneficiaries



### NICE, FRANCE

#### Post-COVID olfaction kit

Hospital patients who lost their sense of smell through COVID-19 will be helped through an olfactory kit that works in tandem with a web application, developed by a consortium of professionals, including Givaudan volunteers who offered their specialised expertise.



### BOTUCATU, BRAZIL

#### Social garden benefits

Vegetable harvested at our Givaudan-Brazbio joint venture office in Botucatu is donated to a local food bank, thus helping vulnerable people access fresh products on a weekly basis.



### SÃO PAULO, BRAZIL

#### Elderly sensory training

Unemployed women over 60 and living in vulnerable neighbourhoods are trained as sensory panellists. A specialised organisation conducts the training with Givaudan volunteers, who designed the panel protocols and supplied the training products

- Communities where Givaudan employees work
- Communities where we source natural ingredients



## BEQAA GOVERNORATE, LEBANON

### Upscaling fruit leather

Givaudan volunteers designed and delivered training to help vulnerable farmers to upscale their dry fruit paste manufacturing process and to improve their business and marketing skills.



## MADHYA PRADESH, INDIA

### Accessing drinking water

Villagers collecting Boswellia resin used in cosmetics, gain easier and faster access to safe drinking water through the construction of water wells and reservoirs.



## NAMIBIA

### Preserving Devil's Claw

Devil's claw is collected wild for use in nutraceuticals and a source of income for Namibian rural communities, who receive training in sustainable harvesting. Support for childcare services is also part of the initiative.



## MOHÉLI, COMOROS

### Protecting island nature

In areas where ylang ylang grows, Mohéli National Park and village communities are regenerating forests, with the aim of protecting biodiversity.



## BANGKOK & CHIANG MAI, THAILAND

### Smelling courses with visually impaired

Hundreds of visually impaired students take part in a pilot course where scented storytelling teaches them to better use olfaction in their everyday life.



A close-up photograph of a purple flower, likely an iris, serves as the background. The petals are a deep purple, and the center features a bright yellow stamen. A semi-transparent dark blue rectangular overlay covers the middle portion of the image, providing a background for the text. In the top-left corner of this overlay, there is a small, solid purple L-shaped graphic element.

# VALUE- BASED GOVERNANCE





**Good corporate citizenship \_\_\_\_\_ 112**

**Leading the way in regulatory  
compliance and product safety \_\_\_\_\_ 115**

**Our code of conduct for  
a positive impact on society \_\_\_\_\_ 120**

**Effective and transparent  
corporate governance \_\_\_\_\_ 123**

**Setting incentives to create value \_\_\_\_\_ 129**



# Good corporate citizenship

**In pursuing socially responsible growth we go beyond financial due diligence and establish leading ethical, social and environmental practices at our sites and areas of operations.**

We respect, protect, and fulfil human rights within our sphere of influence and contribute to eradicating inequality and unfair labour conditions wherever we do business. As we aim to be a responsible corporate citizen, we strive to make a positive impact on the communities in which we are present.

## Upholding human rights

The basis of our ethical standards, specifically Responsible Corporate Citizenship, can be found in our Principles of Conduct, which is supported by policies and guidelines. In January 2021, we published a new Human Rights Policy, which expands on this commitment. It applies to the Company's direct operations, the entities we own and the facilities we manage. We expect every employee to take personal accountability for upholding our principles in daily actions within their own sphere of influence and with business partners and stakeholders. Information on our efforts and commitments around social responsibility, human rights and ethical business aspects can also be found in our Commitment to Social Responsibility Position Statement, our annual UK Modern Slavery Act and California Transparency Act statements, the Australia Modern Slavery Act disclosure, and our Human Rights disclosures in our integrated annual reports and GRI sustainability reports.

### DOWNLOAD

Our position statements, including our Human Rights Policy, are found on [www.givaudan.com](http://www.givaudan.com) ▶ our company ▶ [our position statements](#)

Basic human rights aspects are covered as part of our Principles of Conduct training which is mandatory for all our employees worldwide. We are now in the process of developing dedicated human rights expectations and commitment training for all our employees. We aim to release this training in 2022.

We also recognise that human rights is not a subject that we can address alone and we work with all relevant stakeholders. Suppliers are a particular focus and we help them to adhere to our principles through our Responsible Sourcing Policy.

Collective action and leading advocacy is also important. We endorse the UN Guiding Principles on Business and Human Rights and base our human rights commitment on the International Bill of Human Rights consisting of the Universal Declaration of Human Rights and the International Labor Organization's Fundamental Conventions on Rights at Work. To strengthen our commitment in this area, we endorsed the WBCSD's CEO call-to-action on Human Rights in October 2020.

We have zero tolerance for any form of human rights abuse and follow strict governance, grievance and remediation mechanisms to ensure compliance on our principles and commitments. We also provide various mechanisms for raising concerns. Employees can do this in confidence with a Local Compliance Officer, the Corporate Compliance Officer or the Legal Department or through our internal Compliance Helpline. Third parties can raise issues in confidence to the Head of Group Ethics and Compliance by email. All issues are handled confidentially, and we do not tolerate any form of retaliation against anyone who seeks advice or reports misconduct in good faith.

**We expect employees to take personal accountability for upholding our principles in their daily actions.**

### Our stand against child labour

The Company's positions on child labour, forced labour, compulsory labour and human trafficking are rooted in our Principles of Conduct and in our new Human Rights Policy. All forms of child or forced labour are against our principles. We do not practice or tolerate any form of child exploitation, and we do not provide employment to children before they have completed their compulsory education and in any event not before they reach the age of 15.

For business partners and suppliers, our Responsible Sourcing Policy specifies that suppliers must not use child labour (or forced labour) and are expected to comply with all reporting obligations regarding the abolition of child labour and human trafficking.

### Ensuring ethical standards in our supply chain

Human Rights Impact Assessment in our supply chain is managed through continuous engagement and diverse interventions, which are embedded in many of our standard operating procedures and practices. The focus of these assessments ranges from high-level due diligence to more salient aspects, in particular those relating to health, safety or child labour.

For transparency and to ensure Givaudan works against the highest standards of ethical practice, we are an active member of Sedex, a global platform that enables companies to manage their performance around labour rights, health and safety, the environment and business ethics. Since 2010, we have been committed to register all our production sites on the Sedex platform and undergo the associated due diligence process. At the end of 2021, 82% of our production sites were registered on Sedex, had completed Sedex self-assessment questionnaires and were being assessed as per their set standard, i.e. Sedex Members Ethical Trade Audit (SMETA). The remaining 18% are new acquisitions and we plan to integrate them within two years of their acquisition.

**82% of our production sites have been registered on Sedex and have completed Sedex self-assessment questionnaires.**

### Training and vigilance module

In 2021, we have developed a dedicated training and vigilance module around Givaudan's expectations on child labour and work in our supply chains, aimed at better informing and equipping our own procurement colleagues and supply chain stakeholders. We started rolling this out in the second half of 2021 and have already covered some key raw material supply chains including, among others, *thaumatococcus* in the Ivory Coast, *cistus* in Spain and vanilla in Madagascar.



## EcoVadis CSR assessments

### Gold medal

### Top 5% out of more than 75,000 companies assessed

The same standards are applied to our sites around the world, at our production sites as well as offices, warehouses and R&D locations, and these standards are regularly assessed through processes such as internal audits.

We have also developed a dedicated training and vigilance module around our Company's expectations on child labour and work in our supply chains, aimed at better informing and equipping our procurement colleagues and supply chain stakeholders. We started rolling out this training from the second half of 2021 and have already covered some key raw material supply chains such as *Thaumatococcus* in Ivory Coast, *Cistus* in Spain, and vanilla in Madagascar.

We also participate in the EcoVadis CSR assessments, disclosing detailed information around our business practices on human rights and labour aspects besides environment, ethics and responsible procurement. In the 2021 assessment, we received a gold medal, placing us in the top 5% of more than 75,000 businesses rated. EcoVadis provides invaluable insights which help us to understand and continually improve our sustainability performance.

### Supporting freedom of association

We aim to provide and promote an environment where employer and employee can engage in open dialogue. Genuine open dialogue with freely chosen employee representatives, we believe, improves understanding between employees and employers and helps find ways to mutually resolve potential conflicts. We respect every employee's right to freedom of association and collective bargaining, and we follow commonly recognised best practices with all of our employees globally.

In addition, it is necessary to support the freedom of individuals to join trade unions, and regular union / works council consultations are held with a group of employees representing union / works council members at all applicable sites around the world. The purpose of these consultations is to inform and consult employees about significant changes in the organisation, ensure the right to freedom of association and collective bargaining is not put at risk, and to report any feedback to our Executive Committee to take any suitable action as required.

### Respecting notice periods and working hours

We respect local laws and practices concerning legal notice periods and communicate either directly to the affected employees or through their elected representatives, unions/works council or other groups.

To ensure working hours at our sites are not excessive and do not generally exceed the 60 hours a week limit as defined under the Ethical Trade Initiative (ETI) principles, we are committed to the ETI Base Code principles and are a member of Sedex and AIM-Progress forums. Where local regulation and the ETI's international working hours rule differ, we follow the higher standard, and if there is a conflict then we follow the national regulation with the aim of aligning with the ETI's international standard. Here we put all our sites through the Sedex SMETA assessments under which the working hours as defined by national regulation and ETI principles are regularly checked. The same applies for our suppliers as we encourage and support them to become part of Sedex platform and undergo SMETA assessments.

### READ MORE

2021 GRI Sustainability Report ▶ page 104–107 ▶ Human rights

**We promote an environment where employer and employee can engage in open dialogue.**



# Leading the way in regulatory compliance and product safety

Our regulatory compliance and product safety teams ensure that all of our products are safe for consumers and the environment. We lead the industry in compliance and advocacy solutions that support the Company and our customers.

OUR EXPERTISE  
**Going beyond the established safety standards and helping customers manage a complex regulatory landscape**

<b>Regulatory expertise and advocacy</b> <b>Product stewardship</b>	
<b>Toxicology and product, human and environmental safety</b>	
<b>Data and systems management</b>	
<b>Compliance, communication and information services</b>	

Around the world there are frequent changes in the regulatory environment that can impact our customers' products. Givaudan teams, from scientists and toxicologists to specialists in regulatory affairs, help bring our customers clarity and understanding of these changes and their implications.

While regulatory compliance of our products is essential, it is also important for us to lead efforts in shaping the landscape of our industry through advocacy and membership in industry organisations.

**Taste & Wellbeing: extending our scope**

Our teams in Taste & Wellbeing have unique skills, capabilities and tools to service customers in managing the complex regulatory landscape. More than 200 experts provide superior regulatory services that are aligned with the needs of these customers through continuous improvements in technical content and communication as well as in speed of response and flexibility.

These services include providing advocacy through industry associations at the global, regional and local levels, and helping to shape the regulatory frameworks around the world with the aim of standardisation. We are active in our membership of the International Organization of the Flavor Industry (IOFI) as well as regional and local industry associations.

Our toxicology and product safety assessments have been expanded as our portfolio and business now extends into areas such as botanicals, naturals and food supplements. We ensure that we have all the relevant data in our compliance engine which is then able to produce comprehensive technical information services for our customers. This is an end-to-end process which starts with collecting information from suppliers, translating it in our compliance engine to our products and then providing the relevant information to customers.

In 2021, we strengthened our regulatory capabilities in the SAMEA (South Asia, Middle East and Africa) region, bringing our regulatory services closer to customers in these markets so we can better anticipate and meet their regulatory needs.

We continued to invest in training and development programmes for our regulatory teams with the introduction of 70 modules and academic training sessions for building skills.

### **Fragrance & Beauty: helping ensure transparency**

Our Regulatory and Product Safety (RAPS) teams operate around the globe, collaborating with other departments to support business continuity and growth. We ensure the fragrances we create and the ingredients we source are safe and compliant, while respecting the environment. About 110 RAPS experts constantly innovate and ensure they are at the top of their professions in knowledge and understanding of ingredient standards, toxicology, environmental science methods, and local and regional regulations.

In 2021, these teams continued our engagement with external regulatory bodies and maintained an industry-leading position in working closely with customers to ensure the transparency of product information to consumers. These efforts have included working with customers to meet new European regulations in advance of enforcement dates for the withdrawal from use of Karanal and Lilial, both of which have been restricted by the European Chemicals Agency.

During the year our analytical and environmental laboratories in Vernier, Switzerland completed their expansion as a commitment to our aspiration to develop biodegradable polymers and fragrance ingredients. We also continued to invest in automated solutions to enable digital services to our customers and completed the global rollout of systems focusing on enhancing our service to the local and regional customer categories, in addition to our key global and international customers.

We continued to lead key global advocacy initiatives for fragrances through active representation on organisations in all regions. These efforts helped us to advocate for responsible science-based legislation and ensure we can guide our customers through the changing landscape. In 2021, we joined the Animal-Free Safety Assessment (AFSA) Collaboration coordinated by Humane Society International as part of our strategic commitment and strategy to end the need for animal testing for raw material safety assessment.

## **We continue to lead in global advocacy initiatives through active representation on organisations in all regions.**

This multi-year collaboration includes the co-creation of a global training curriculum in next-generation risk assessment alongside other leading brands to enhance capabilities across companies and regulatory authorities so that safety decisions for cosmetics can be made without demands for new animal testing. During 2021, the OECD approved a strategy developed and validated in a decade-long joint effort by Givaudan and the German chemicals company BASF – the world's first animal-free toxicology testing strategy to predict skin allergic reactions.

As part of the AFSA collaboration, we have also pledged to contribute to real-world case studies in animal-free safety assessments and participate in AFSA advocacy efforts to overcome barriers to the acceptance of alternatives to animal testing by chemical regulators in the European Union and elsewhere.

### **Ensuring the safety of our products**

Developing products that help people enjoy happier, healthier lives is part of our purpose, and the quality and safety of these products is fundamental for us to continue as a successful, sustainable business.

Although we do not sell products directly to the end consumer, we are responsible for providing safe products to our customers. We not only provide essential advice to our customers, but also ensure that our products meet or exceed all safety requirements. Customers need to manage any environmental, health and safety risks associated with the use of our ingredients and so it is vital we supply the necessary information for the proper handling of our products.

All the ingredients used in our formulas are evaluated for any environmental, health and safety impact and this information is disclosed and filed with the relevant regulatory bodies whenever necessary. Quality and environmental data about our products, including safety information, are available through product labels and safety data sheets. The safety data sheets are available in more than 40 languages and are attached to every consignment.

We also seek to ensure the health and safety of consumers when using our products as they are intended. Through the investment in toxicology expertise and research into the safety of our products, we are committed to leading the industry in ensuring that our consumers can safely use our products in their day-to-day lives.

Similarly, we are committed to ensuring that our products are safe for our employees and the environment, and invest in environmental safety expertise and research to ensure the safety of our workers during production.

Alongside continuous improvement in our standards, systems and programmes, we seek to further strengthen our food safety culture. More than 100 food safety experts in all regions, including those in recently acquired businesses, are forming a global network aiming to bring food safety in Givaudan to the next level.

On our journey to food safety excellence, we have defined our approach to enhancing food safety culture within Givaudan over the years to come. This cultural enhancement builds on our decades of food safety management and requires the full commitment of all roles and levels of the organisation. Significant effort has been placed on increasing knowledge and raising risk awareness to foster best operational practices. This leadership-led initiative complements our investments in maintaining and continuing to invest in hygienic infrastructures.

In addition, we are driving the full implementation of Givaudan's global food safety standards in our acquisitions and the continuous improvement of core programmes in all our manufacturing sites. Today, 98% of our Taste & Wellbeing production sites supplying third party customers are already GFSI-certified, confirming adherence to the highest food safety standards also within most recent acquisitions.

#### **READ MORE**

2021 GRI Sustainability Report › our approach and management › pages 40 and 101 › 'Product quality & safety and ingredient disclosure' and 'Consumer health and wellbeing'

**Adhering to the highest food safety standards: 100% of our Taste & Wellbeing production sites supplying third party customers are GFSI-certified.**



FOCUS STORY



# AT THE FOREFRONT OF ANIMAL-FREE TESTING

Our purpose is creating for happier, healthier lives, with love for nature – and that means we care about animal welfare, too. This is why we work for animal-free testing in fragrances and cosmetics, and we are proud of our achievements.

**Givaudan is committed to a future where animals are not used in product safety assessments and we are passionate about discovering better alternatives and gaining acceptance for them. This is why, since 2006, we have been leading the way in developing animal-free alternatives for toxicology testing.**

It is our responsibility, along with our partners, to develop credible alternatives and to increase awareness across our

entire industry that these methods exist and ensure the technology is available to others. We work to discover animal-free tests, demonstrate that they give reproducible results, and take part in advocacy to build confidence in them.

A major success this year was seeing the world's first animal-free toxicology testing strategy to predict skin allergic reactions approved by the Organisation for Economic Co-operation and Development (OECD), which issues harmonised testing guidelines for member countries. The strategy was developed and validated in a decade-long joint effort by Givaudan and the German chemicals company BASF.

“  
**By demonstrating that results are reproducible and predictive, trust in replacements of animal tests is growing.**  
”

Dr Roger Emter, Research Scientist at Givaudan, who developed one of the new methods

Three new non-animal tests combined can detect if a substance is a skin sensitiser. An additional test, which quantifies the potency of any allergic reaction, has also been adopted by the OECD. Givaudan and BASF have trained laboratories around the world on how to use these methods to generate accurate results.

This milestone opens up the possibility of approvals for entire testing strategies in other areas, such as eye irritation, or impacts on the hormone system.

As Dr Greg Adamson, Givaudan's Head of Fragrance & Beauty Global Regulatory Affairs and Product Safety, says:

“Givaudan has been working to develop non-animal testing methods for many years. We are proud of our contribution in driving change to date and, as an industry, it's crucial that we work together to end the practice of animal testing for fragrances and cosmetics.”

Our work does not stop there. We are extending our commitment to animal-free testing by joining the Animal-Free Safety Assessment (AFSA) collaboration, which aims to advance chemical safety globally.

AFSA brings together corporations and non-profits such as Humane Society International (HSI). Givaudan has signed up to a multi-year collaboration with a mission to enhance capabilities across companies and regulators so that safety decisions for cosmetics can be made without demands for new animal testing.

One important part of our role is to work with other stakeholders to co-create a global training curriculum in next-generation risk assessment. Another part is to contribute to real-world case studies in animal-free safety assessment. We will join in AFSA advocacy efforts to overcome barriers preventing acceptance of alternatives to animal testing by chemical regulators, both in the European Union and beyond.

“  
**The new strategy has a better predictivity for human allergy risks as compared to traditional animal testing.**  
”

Dr Andreas Natsch, Head of in vitro Molecular Screening at Givaudan

“  
**We're confident that collaborations with committed partners will accelerate alternative approaches to animal testing.**  
”

Dr Greg Adamson, Head of Fragrance & Beauty Global Regulatory Affairs and Product Safety at Givaudan

With this wide-ranging global partnership, our industry will be able to advance faster. As Troy Seidle, HSI Vice President for Research & Toxicology, says: “The scientific and ethical imperative to transition to non-animal test approaches compels companies and NGOs to work collaboratively towards a common goal. So we couldn't be more pleased to welcome Givaudan to the Animal-Free Safety Assessment collaboration. Givaudan's expertise and experience will provide a significant boost to our efforts to abolish the use of animals in cosmetic animal testing.”

Contributing to the United Nations Sustainable Development Goals (SDG)



# Our code of conduct for a positive impact on society

As a purpose-led company, we can go even further in making our world a happier, healthier place.

Our purpose commitments guide us in our choices and in our way of doing things, and in our interaction with our stakeholders we adhere to high ethical standards. Being open, transparent and honest in our dealings with these stakeholders allows us to grow with purpose.

The Givaudan Principles of Conduct express our ethical commitment and are the cornerstone of our Company culture. They are available in all major Company languages and are undersigned by our Chairman of the Board and our Chief Executive Officer. They were last reviewed in 2018.

The ethical commitments in our Principles of Conduct are developed around three pillars: Legal & Ethical Business Dealings, Responsible Corporate Citizenship and Protecting Givaudan's Assets. An additional section, 'How we live the Principles', restates our employees' responsibility for ethics and integrity and explains ways of reporting any violation of the Principles, including through a worldwide Compliance Helpline.

While our Principles of Conduct guide employees in ethical standards, our Responsible Sourcing Policy is our code of conduct for suppliers to ensure our partners' commitments adhere to the same ethical principles Givaudan does. Our Responsible Sourcing Policy includes a mechanism for third parties to report grievances.

## Givaudan's Principles of Conduct

<b>Legal &amp; ethical business dealings</b>	Compliance with the law and Givaudan policies
	Bribery and corruption
	Gifts and entertainment
	Competition law
	Insider dealing
	Conflicts of interests
	Ethical conduct
<b>Responsible corporate citizenship</b>	Human rights
	Preserving the environment
	Diversity and fair treatment
	Fair employment standards and safe work environment
	Child labour
<b>Protecting Givaudan's assets</b>	Fraud against Givaudan
	Open communication
	Protection of confidential information and trade secrets, intellectual property
	Conduct in research, development, application and creation

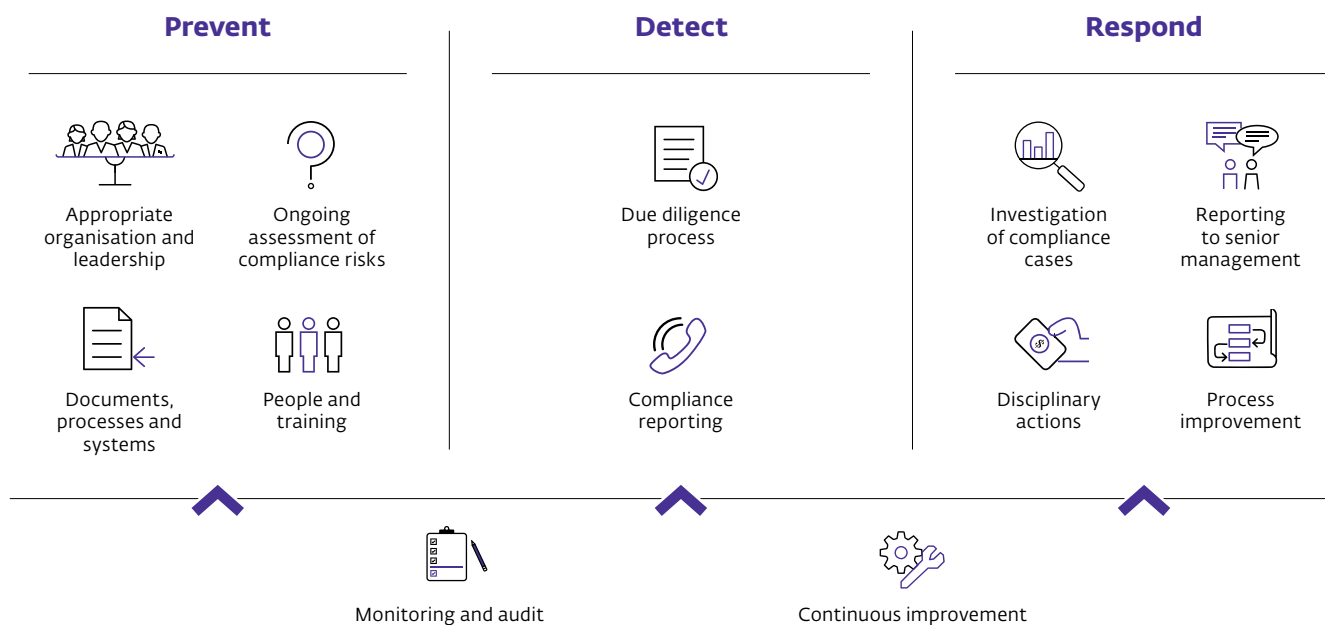
### DOWNLOAD

[www.givaudan.com](http://www.givaudan.com) ▶ Our Company ▶ Corporate governance ▶ **Code of conduct**  
[www.givaudan.com](http://www.givaudan.com) ▶ Sustainability ▶ Expert corner ▶ Governance ▶ **Responsible sourcing policy**

## Ethics and Compliance programme

Our Ethics and Compliance programme is based on the compliance and fraud prevention concept of 'prevent – detect – respond'. The Corporate Ethics & Compliance Officer oversees the administration of this programme and coordinates with other dedicated functions for effective compliance management. This is further enhanced by a global Ethics & Compliance team and network of local compliance officers and regional compliance coordinators. The Corporate Ethics & Compliance Officer reports regularly to the Board of Directors, the Audit Committee of the Board, the Executive Committee and the CEO.





Regular compliance risk assessments are carried out by the Corporate Ethics & Compliance Officer with local compliance officers and corporate functions. In 2021, we also carried out a dedicated bribery risk cartography pursuant to the French Loi Sapin 2.

We have a Group-wide Compliance Helpline system which allows employees to report suspected or actual misconduct or violations of the Company's policies on a confidential basis and without fear of retaliation. We also have a mechanism as part of our Responsible Sourcing Policy to allow suppliers to bring grievances to our attention.

Our compliance incident investigation procedure and process regulates investigations of compliance allegations received

through any channel. Depending on the nature of the allegations, these cases are handled either locally or centrally, with external specialist support where required.

Other compliance processes include the process for selection and engagement of third-party agents and distributors and the global supplier selection process of the procurement organisation.

Dedicated corporate functions ensure the management of compliance with specific areas of operational compliance risk such as product safety/regulatory, procurement, trade affairs, tax, environment, and occupational health and safety. The Group Data Protection Officer oversees the implementation of the Group Data Protection programme.

We have training and monitoring programmes in place to ensure compliance with our ethical rules. Our mandatory training on our Principles of Conduct is available online and offline in all major Company languages and includes material on anti-bribery, corruption and corporate social responsibility. Despite challenges because of the COVID-19 pandemic, 83% of all employees, including production workers, completed the training.

### Anti-bribery and corruption management

Adhering to high ethical standards means protecting our business for the risks of corruption and bribery. Givaudan has zero tolerance towards bribery and corruption, including facilitation payments, as stated in our Principles of Conduct.

Most countries where we operate have strict anti-bribery laws. These include the US Foreign Corrupt Practices Act, the UK Bribery Act, the French Loi Sapin 2 and anti-bribery laws and regulations of other countries where Givaudan either plans to do or already does business. Anti-corruption compliance is managed as part of the Givaudan compliance management system:

- Corruption is one risk domain regularly reviewed by the Corporate Ethics & Compliance Officer as part of the compliance risk assessment.
- Corruption and inappropriate gifts and entertainments are prohibited in our Principles of Conduct. They are addressed in more detail in our Global Anti-Bribery, Gifts, Entertainment and Hospitality policy, including the reporting of gifts and entertainment. Both documents are available to employees in all major Company languages.
- Givaudan has included corruption and gifts/entertainment in its basic compliance training for all permanent employees and issues specific anti-bribery training to selected employees.
- As part of monitoring activities, the Compliance Helpline allows employees to report compliance issues in confidence. The helpline is open in all sites, and available in all major Company languages.
- Givaudan has a procedure for the selection and engagement of agents and distributors, which includes a formal due diligence review and minimum requirements for agent contracts and payments.
- We conduct pre-signing due diligence on acquisition targets and integrate acquired companies into our Ethics and Compliance programme system post-closing.

Since 2013, additional specific anti-bribery training has been given to 6,979 senior managers including all members of the Executive Committee and other employees whose work involves regular and direct contact with external stakeholders. In the last quarter of 2020, we started the roll-out of a new anti-bribery training to this group. Despite challenges caused by the COVID-19 pandemic, completion currently stands at 85%.

With further acquisitions in recent years we have continued to roll out our Ethics and Compliance programme, which includes training for employees in the acquired companies. Depending on the integration status of the acquired company, the training programme is available either online or offline, but in both cases in all relevant languages. The basic training includes essentially the same material on anti-bribery, corruption and corporate social responsibility as the basic training for Givaudan employees. Additional compliance training may be introduced as a result of pre-acquisition due diligence.

### Charitable donations, lobbying and conflict of interest

Alongside our anti-bribery and anti-corruption policy we have two further policies addressing adjacent areas.

Firstly, our Global Charitable Donations, Philanthropy, Sponsorship, and Lobbying Policy focuses on charitable donations and sponsorship as well as lobbying. This policy prohibits donations to any political party. We also exclude as causes for charitable donations those organisations that advocate or support policies or practices that discriminate on the basis of race, religion, skin colour, age, gender, disability, national origin or sexual orientation or that are not otherwise aligned with our Principles of Conduct. We disclose all charitable contributions and sponsorship. Most of our charitable work is conducted through the Givaudan Foundation. As a rule, Givaudan does not engage in direct lobbying. We work with interest groups, NGOs and other groups to help our advocacy efforts and we are active participants in industry associations worldwide.

Secondly, our Conflict of Interest Policy establishes guidelines for handling actual, potential or apparent conflicts of interest, including of a financial kind. Its aim is to clarify and establish appropriate guidelines to conducting business in a manner that ensures the business judgment and decision making is not influenced by undue personal interests.

#### **DOWNLOAD**

Our position statements can be found on [www.givaudan.com](http://www.givaudan.com) ▶ Our Company ▶ About Givaudan ▶ **Our position statements**

# Effective and transparent corporate governance

A good governance system supported by responsible management and effective supervision is essential for the continued creation of shared value.

## Assuring value creation through good corporate governance

We pride ourselves in transparent governance, which ensures we manage and supervise our operations in a responsible way. Our structures and processes for the direction and control of our Company allow for a continued focus on value creation for all our stakeholders.

The Board of Directors is responsible for the ultimate direction, strategic supervision and control of Givaudan and its management. Each Board member has extensive leadership experience and in-depth knowledge of relevant areas of expertise for Givaudan and contributes to the Board's competencies at the level of the full Board and in the Board's four committees: Audit, Compensation, Nomination & Governance, and Innovation.

The Executive Committee (EC), led by the Chief Executive Officer (CEO), is responsible for all areas of operational management that the Board has delegated to it. The CEO is appointed by the Board and has the task of achieving the strategic objectives of the Company and determining operational priorities. The CEO also leads, supervises and coordinates the EC, which meets monthly to discuss Company business, strategy and sustainability.

Our Board of Directors ensures the Company operates according to Swiss and international business standards and practices.

Robust standards, policies and management systems provide a framework for addressing risks and opportunities through operations and allow us to measure our performance against our targets and meet our commitments to stakeholders. Risks including those related to Environmental, Social and Governance (ESG) and sustainability issues are assessed as part of the Company's Enterprise Risk Management process.

## Corporate governance in numbers

BOARD OF DIRECTORS

**8** members

**6.4** years average tenure

**5** nationalities represented

**3** women

EXECUTIVE COMMITTEE

**7** members

**6.6** years average tenure

**6** nationalities represented

**1** woman

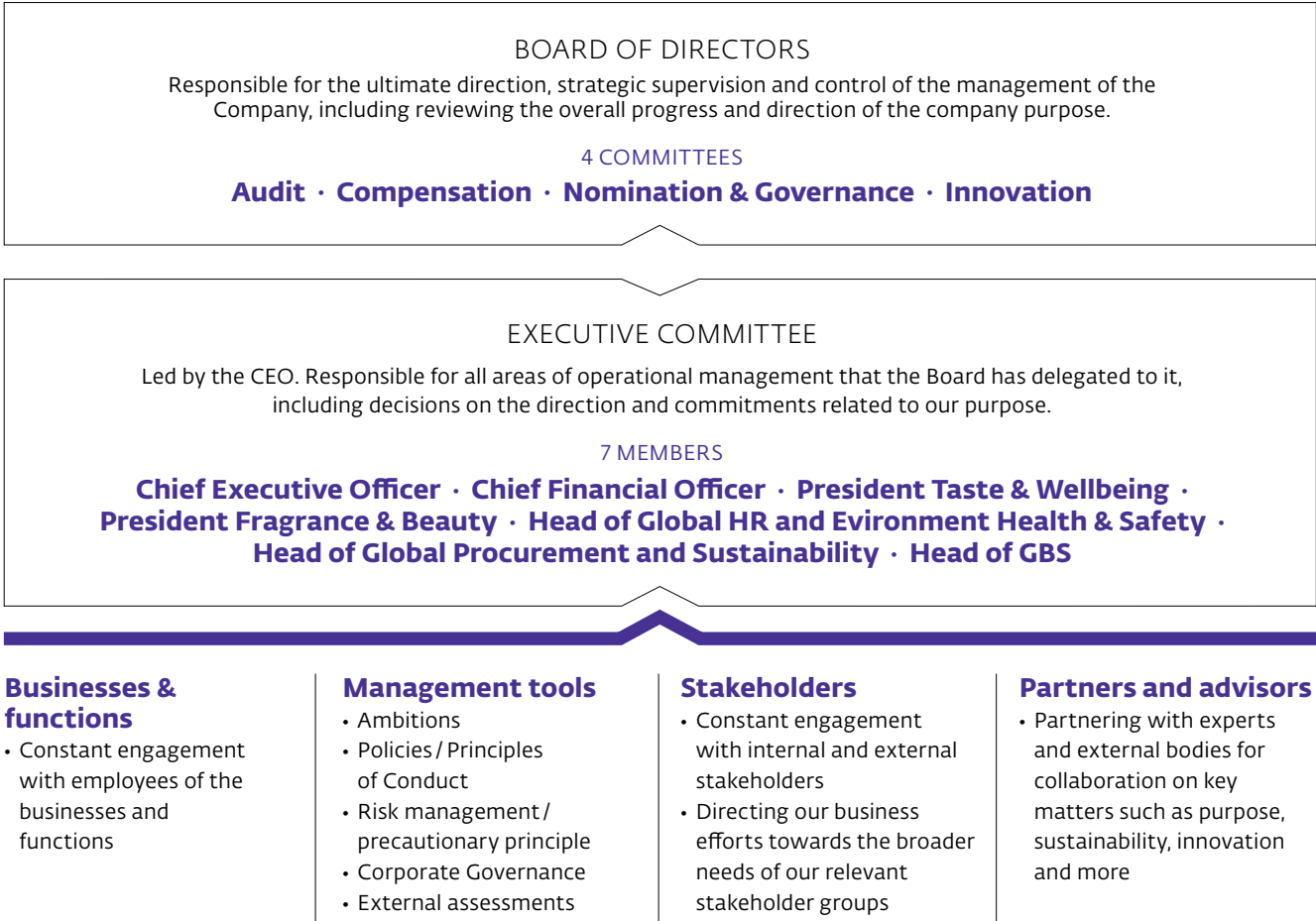
## [READ MORE](#)

The full Governance Report can be found in our 2021 Governance, Compensation and Financial report [pages 3–21](#)



# The governance structure

Our structures and processes for the direction and control of our Company allow for a continued focus on value creation for all our stakeholders as well as nature, in line with our purpose.



## Assuring stable governance as the pandemic continues its impact at a global level

The COVID-19 pandemic continued to attest to the resilience of the Company and its governance and leadership. Crisis management and business continuity procedures and the COVID-19 crisis management measures put in place in 2020 continued to serve the Company well in 2021. We were able to continue operating in an agile way in response to the different environments and stages of the pandemic worldwide, while keeping our employees safe and engaged and serving our customer and consumer demand for essential products as well as our supporting communities. Givaudan continued its work on areas that are important for the longer-term impact of the pandemic, including digitalisation and flexible work arrangement programmes for employees. Management continued to keep the Board of Directors and in particular the Chairman updated as required.

### READ MORE

For information on our initiative to keep our employees safe and engaged: Our People ▶ page 89, 96-97

## Our purpose drives our sustainability agenda

Our governance systems enable the Company to live and implement its purpose, which ensures that the Company is a force for good for the business, society and the planet. The EC is accountable for our purpose ambitions. Topics related to these ambitions form part of the regular EC meeting agenda in addition to dedicated sessions – held twice a year – for reviewing the overall progress and strategic direction of our purpose / sustainability ambitions.

They are supported by the Sustainability Leadership Team (SLT), led by the Global Head of Sustainability and made up of internal experts on topics linked to purpose and sustainability. The SLT supports the organisation in reaching relevant goals, working closely with business and functional leaders and managers, and meets on a regular basis to review progress and agree key recommendations for the EC.

In addition, risks related to Environmental, Social and Governance (ESG) and sustainability issues are also assessed as part of the Company's Enterprise Risk Management process and were included in the development of the 2025 strategy.

### READ MORE

For an in-depth explanation of our sustainability governance consult our 2021 GRI sustainability report ▶ page 35

**Our governance structure and processes aim to engage all stakeholders transparently and contribute to the creation of a fair, inclusive business.**

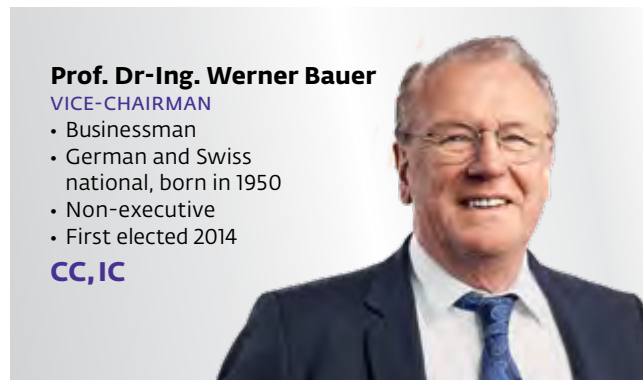
## Board of Directors

As of 31 December 2021, the Board of Directors consists of eight<sup>1</sup> Board members, headed by our Chairman Calvin Grieder, and is composed of five men and three women representing five nationalities. The Board of Directors is responsible for the ultimate direction, strategic supervision and control of the management of the Company. Board members are elected each year at the Annual General Meeting with a mandate of one year.

Membership of the Board is composed to ensure the Board possesses all competencies required to execute its strategic oversight and control over Givaudan. The Board has formed four Board committees to support the preparation of discussions and decisions in certain areas in accordance with Swiss law.

Each of the eight Board members has extensive leadership experience and in-depth knowledge of his or her relevant areas of expertise.

1. Thomas Rufer retired from the Board at the Annual General Meeting 2021 after 12 years as a Board member.



Each of our Board members has an in-depth knowledge of his or her relevant areas of expertise. Together, they ensure that the Company has all the competencies required.



## Board expertise

Given the Company's business and its 2025 strategy of 'Committed to Growth, with Purpose', the most relevant and important required competencies include:

- international senior business leadership
- strategic oversight and implementation track record
- in-depth industry knowledge
- financial expertise
- innovation and technology (including digital)
- sales and marketing
- regulatory affairs.

The Board considers sustainability and ESG matters an integral part of the Company's strategy. Therefore, familiarity with ESG matters is required from all Board members, as are strong ethical values. The Board's collective knowledge and expertise as well as the diversity of experience of its members are crucial assets in leading a company of Givaudan's size in a complex and fast-changing environment with a multitude of stakeholders.

**Ingrid Deltenre**

- Businesswoman
- Dutch and Swiss national, born in 1960
- Non-executive
- First elected 2015

**CC, NGC****Olivier Filliol**

- Businessman
- Swiss national, born in 1967
- Non-executive
- First elected 2020

**AC, IC****Sophie Gasperment**

- Businesswoman
- French national, born in 1964
- Non-executive
- First elected 2020

**NGC**

The Board regularly reviews the list of competencies and has established a long-term skill matrix for the assessment of existing and required competencies, which is used as a basis for Board succession planning.

**Board committees<sup>1</sup>****AC AUDIT COMMITTEE****Victor Balli (Chairman), Lilian Biner, Olivier Filliol**

- Assists the Board in its oversight responsibilities with respect to financial reporting
- Ensures effectiveness and efficiency of internal control, risk management and compliance systems
- Assesses and oversees the internal and external audit processes

**CC COMPENSATION COMMITTEE****Prof. Dr-Ing. Werner Bauer (Chairman), Ingrid Deltenre, Victor Balli**

- Reviews and recommends the compensation policies to the Board
- Sets the remuneration for the Executive Committee within the maximum approved by the Annual General Meeting of shareholders
- Prepares the Compensation Report

**NGC NOMINATION AND GOVERNANCE COMMITTEE****Calvin Grieder (Chairman), Ingrid Deltenre, Michael Carlos, Sophie Gasperment**

- Assists the Board in setting and reviewing principles of good corporate governance
- Prepares appointments to the Board and the Executive Committee

**IC INNOVATION COMMITTEE****Michael Carlos (Chairman), Calvin Grieder, Prof. Dr-Ing. Werner Bauer, Olivier Filliol**

- Assists the Board in scientific matters relating to the flavours, fragrances and cosmetics Industry
- Identifies opportunities, proposes and screens potential innovation partner

1. All committee members were part of their respective committee(s) for the entire year of 2021.



## Executive Committee

The Executive Committee is composed of seven members under the leadership of Gilles Andrier, Chief Executive Officer and consists of six men and one woman, representing six nationalities. Charged with the overall day-to-day management of Givaudan, each Executive Committee member draws on an average of 20 years' experience in the Company to bring a wealth of industry knowledge, and all have been promoted to the Executive Committee from within the Company. Gilles Andrier is one of the longest-standing CEO in the industry, having been in office since 2005.



**Gilles Andrier**

CHIEF EXECUTIVE  
OFFICER

- French national, born in 1961
- Appointed in 2005



**Tom Hallam**

CHIEF FINANCIAL  
OFFICER

- British and Swiss national, born in 1966
- Appointed in 2017

**Louie D'Amico**

PRESIDENT  
TASTE & WELLBEING

- US national, born in 1961
- Appointed in 2018



**Maurizio Volpi**

PRESIDENT  
FRAGRANCE & BEAUTY

- Italian national, born in 1969
- Appointed in 2015



**Anne Tayac**

HEAD OF GIVAUDAN  
BUSINESS SOLUTIONS

- French national, born in 1968
- Appointed in 2016



**Simon Halle-Smith**

HEAD OF GLOBAL  
HUMAN RESOURCES  
AND EHS

- British national, born in 1966
- Appointed in 2015



**Willem Mutsaerts**

HEAD OF GLOBAL  
PROCUREMENT AND  
SUSTAINABILITY

- Dutch national, born in 1962
- Appointed in 2015



# Setting incentives to create value

Our compensation policies are an essential component of our employee value proposition and a key driver of both individual and business performance.

The programmes reflect the performance of the business and of individuals and are aligned with our ambition of ensuring that Givaudan is a place where everyone feels welcome, valued and inspired. We have rigorous governance, policies and processes to ensure that our compensation practices are aligned with our principles of integrity, fairness and transparency.

The ability to attract, motivate and retain the right talented employees globally is key to the continued success of Givaudan. Our competitive remuneration policy supports this ambition and is based on the following principles:

- Pay for performance
- Alignment of interests
- External competitiveness
- Internal consistency and fairness.

Total compensation in 2021 is composed of the following elements:

- Base salary for all employees
- Benefits for all employees (including retirement, insurance and health care plans)
- Cash-based Profit Sharing Plan for approximately 12,000 non-management employees based on Group financial objectives
- Cash-based Annual Incentive Plan for around 5,000 managers and executives
- Equity-based Performance Share Plan (PSP) for the top 500 employees.

Base salaries are regularly benchmarked in each location and pay scales are reviewed annually according to local market evolution. As a general rule, pay scales are built around market median.

Benefit plans seek to address current and future security needs of employees. These generally include retirement, health, death and disability benefits. In 2021, to provide further support to all our employees as the pandemic continued, we extended our

employee benefit offering from a local to a comprehensive global Employee Assistance Programme offering a 24/7 helpline in over 200 languages on a variety of topics such as personal wellbeing, mental health, relationships, family matters and workplace challenges.

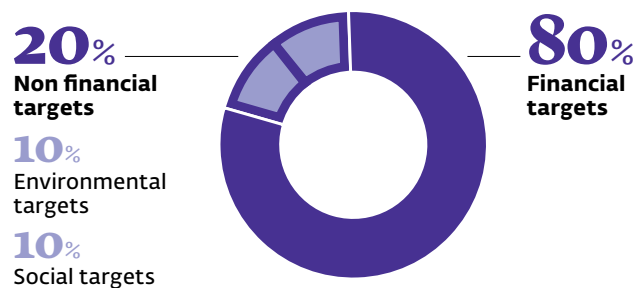
Non-management employees participate in the global Profit Sharing Plan. Payouts are based on the yearly evolution of Group EBITDA.

The Annual Incentive Plan covers all managers and executives globally. It rewards participants for the achievement of financial targets and other organisational and individual objectives.

The PSP is designed to reward executives and key talent who significantly influence the long-term success of the business and our purpose ambitions. From 1 January 2021, a new PSP aligned with the Givaudan purpose was introduced. The financial metrics of sales and free cash flow traditionally used to calculate the PSP are retained, and are complemented by non-financial criteria linked to three of the four focus areas of the Givaudan purpose:

- **Creations:** Financial targets of sales and free cash flow
- **Nature:** Environmental targets of net GHG emissions reduction (scope 1, 2 and 3)
- **People:** Social targets of senior leader diversity (women and high growth market representation) and employee safety.

## Performance Share Plan for top 500 employees



## READ MORE

The full Compensation Report can be found in our 2021 Governance, Compensation and Financial Report ▶ pages 22–39

## Compensation of the Board of Directors

Compensation of Board members consists of Director fees, Committee fees and Restricted Share Units (RSUs). Fees are paid at the end of each year in office completed. RSUs give participants the right to receive Givaudan shares (or a cash equivalent in countries where securities laws prevent the offering of Givaudan securities) at the end of a three-year blocking period. During this period, Board members must hold RSUs (accordingly are restricted from trading RSUs or the

underlying Givaudan shares), thereby aligning with shareholder interests over the longer term. Board members are entitled to receive Givaudan shares regardless of membership status so that, for example, if re-election does not occur during the restriction period, awarded RSUs are retained by the respective Board member. Such practice has been implemented in line with best practice in support of Givaudan's commitment to ensuring Board independence.

### XIV. Board of Directors compensation summary

in Swiss francs		Director fees <sup>3</sup>	Committee fees <sup>3</sup>	Total fixed (cash)	Number of RSUs granted <sup>4</sup>	Value at grant <sup>5</sup>	Total compensation
<b>Calvin Grieder Chairman<sup>1</sup></b>	<b>2021</b>	<b>400,000</b>	<b>65,000</b>	<b>465,000</b>	<b>169</b>	<b>580,566</b>	<b>1,045,566</b>
	2020	400,000	65,000	465,000	208	581,256	1,046,256
<b>Victor Balli<sup>1</sup></b>	<b>2021</b>	<b>100,000</b>	<b>72,500</b>	<b>172,500</b>	<b>42</b>	<b>144,283</b>	<b>316,783</b>
	2020	100,000	50,000	150,000	52	145,314	295,314
<b>Prof. Dr-Ing. Werner Bauer<sup>1</sup></b>	<b>2021</b>	<b>100,000</b>	<b>65,000</b>	<b>165,000</b>	<b>42</b>	<b>144,283</b>	<b>309,283</b>
	2020	100,000	65,000	165,000	52	145,314	310,314
<b>Lilian Biner<sup>1</sup></b>	<b>2021</b>	<b>100,000</b>	<b>25,000</b>	<b>125,000</b>	<b>42</b>	<b>144,283</b>	<b>269,283</b>
	2020	100,000	25,000	125,000	52	145,314	270,314
<b>Michael Carlos<sup>1</sup></b>	<b>2021</b>	<b>100,000</b>	<b>65,000</b>	<b>165,000</b>	<b>42</b>	<b>144,283</b>	<b>309,283</b>
	2020	100,000	65,000	165,000	52	145,314	310,314
<b>Ingrid Deltenre<sup>1</sup></b>	<b>2021</b>	<b>100,000</b>	<b>50,000</b>	<b>150,000</b>	<b>42</b>	<b>144,283</b>	<b>294,283</b>
	2020	100,000	50,000	150,000	52	145,314	295,314
<b>Thomas Rufer<sup>1,6</sup></b>	<b>2021</b>	<b>25,000</b>	<b>13,750</b>	<b>38,750</b>	<b>13</b>	<b>36,329</b>	<b>75,079</b>
	2020	100,000	55,000	155,000	52	145,314	300,314
<b>Olivier Filliol<sup>1,7</sup></b>	<b>2021</b>	<b>100,000</b>	<b>50,000</b>	<b>150,000</b>	<b>42</b>	<b>144,283</b>	<b>294,283</b>
	2020	75,000	37,500	112,500	39	108,986	221,486
<b>Sophie Gasperment<sup>1,8</sup></b>	<b>2021</b>	<b>100,000</b>	<b>25,000</b>	<b>125,000</b>	<b>42</b>	<b>144,283</b>	<b>269,283</b>
	2020	33,333	8,333	41,666	17	47,507	89,173
<b>Total compensation<sup>2</sup></b>	<b>2021</b>						<b>3,183,126</b>
	2020						3,138,799

1. The function of each member of the Board of Directors is indicated on pages 7–9 in both the 2020 Governance report and the 2021 Governance Report.

2. Represents total compensation of the Board of Directors paid in respect of the reporting year, reported in accordance with the accrual principle.

3. Represents Director and Committee fees paid in respect of the reporting year, reported in accordance with the accrual principle.

4. 2021 RSUs blocking period end on 15 April 2024; 2020 RSUs end on 15 April 2023.

5. Economic value at grant according to IFRS methodology with no discount applied for the blocking period.

6. Thomas Rufer retired at the AGM in March 2021.

7. The 2020 figures represent compensation from April to December 2020.

8. The 2020 figures represent compensation from September to December 2020.

Estimated social security charges based on 2021 compensation amounted to CHF 263,416 (2020: CHF 259,320).

The compensation paid to the Board members for the period between the 2020 and 2021 Annual General Meetings, CHF 3,280,206, is again within the amount approved by shareholders at the 2020 Annual General Meeting CHF 3,400,000. Amounts approved at the 2021 Annual General

Meeting CHF 3,250,000 will be paid by the end of the year in office and validated in the 2022 Compensation report. Such approved and paid amounts may differ from those shown in the Board compensation summary table which, according to the OaEC, must include compensation paid in the reporting year.

## Compensation of the Executive Committee

Total Executive Committee (EC) compensation reported in 2021 remained stable compared to 2020, representing full year compensation for seven members (including the Chief Executive Officer). Total EC compensation for the reporting period increased by 2.8%, reflecting higher annual incentive achievement. Total fixed compensation and long-term incentive grant values did not increase versus the previous reporting period.

The compensation paid is within the amounts approved by shareholders at the respective Annual General Meeting. The fixed and long term variable compensation approved for 2021 was CHF 15,400,000 (2020: CHF 15,300,000). The annual incentive, short term variable compensation amount for 2021 was CHF 5,461,355 and will be submitted for approval at the 2022 Annual General Meeting (2020: CHF 4,812, 783).

### XII. Executive Committee (EC) compensation summary

in Swiss francs		Base Salary	Pension benefits <sup>2</sup>	Other benefits <sup>3</sup>	Total fixed compensation	Annual Incentive <sup>4</sup>	Number of performance shares granted <sup>5</sup>	Value at grant <sup>6</sup>	Total variable compensation	Total compensation	Employer social security <sup>7</sup>
<b>Gilles Andrier, CEO</b>	<b>2021</b>	<b>1,221,418</b>	<b>578,371</b>	<b>141,079</b>	<b>1,940,868</b>	<b>1,862,933</b>	<b>728</b>	<b>2,500,898</b>	<b>4,363,831</b>	<b>6,304,699</b>	<b>525,879</b>
	2020	1,211,084	574,237	145,344	1,930,665	1,636,536	895	2,501,078	4,137,614	6,068,279	504,728
<b>EC, excluding CEO<sup>1</sup></b>	<b>2021</b>	<b>3,228,752</b>	<b>1,086,554</b>	<b>388,786</b>	<b>4,704,092</b>	<b>3,598,422</b>	<b>1,688</b>	<b>5,798,786</b>	<b>9,397,208</b>	<b>14,101,300</b>	<b>1,073,231</b>
	2020	3,336,973	1,036,769	433,184	4,806,926	3,176,247	2,077	5,804,177	8,980,424	13,787,350	1,029,178
<b>Total: EC Members, including CEO</b>	<b>2021</b>	<b>4,450,170</b>	<b>1,664,925</b>	<b>529,865</b>	<b>6,644,960</b>	<b>5,461,355</b>	<b>2,416</b>	<b>8,299,684</b>	<b>13,761,039</b>	<b>20,405,999</b>	<b>1,599,110</b>
	2020	4,548,057	1,611,006	578,528	6,737,591	4,812,783	2,972	8,305,255	13,118,038	19,855,629	1,533,906

1. Represents full year compensation of six Executive Committee members.
2. Company contributions to broad-based pension and retirement savings plans and annualised expenses accrued for supplementary executive retirement benefit.
3. Represents annual value of health and welfare plans, international assignment benefits and other benefits in kind.
4. Annual incentive accrued in reporting period based on performance in the reporting period.
5. 2021 Performance shares vest on 15 April 2024, 2020 Performance Shares vest on 15 April 2023.
6. Value at grant calculated according to IFRS methodology and based on 100% achievement of performance targets.
7. 2021 estimated social security charges based on 2021 compensation; 2020 estimated social security charges based on 2020 compensation.

## Ownership of Givaudan securities

As per 31 December 2021, the Chairman and other Board members, including persons closely connected to them held 6,183 Givaudan shares in total. The Chief Executive Officer and other members of the Executive Committee, including persons closely connected to

them, held 8,053 Givaudan shares. One person closely connected to a member of the Executive Committee owned 184 unvested Performance Shares as at 31 December 2021.

### Board of Directors: ownership of Givaudan securities

2021 in numbers	Shares	Blocked RSUs
Calvin Grieder, Chairman	947	629
Victor Balli	248	157
Prof. Dr-Ing. Werner Bauer	1,428	157
Lilian Biner	735	157
Michael Carlos	1,260	157
Ingrid Deltenre	365	157
Olivier Filliol	1,200	94
Sophie Gasperment		72
<b>Total 2021</b>	<b>6,183</b>	<b>1,580</b>
Total 2020	6,501	1,962

### Executive Committee: ownership of Givaudan securities

2021 in numbers	Shares	Unvested Performance Shares
Gilles Andrier, CEO	4,600	2,715
Tom Hallam	278	1,141
Louie D'Amico	525	1,270
Maurizio Volpi	801	1,357
Simon Halle-Smith	706	815
Willem Mutsaerts	434	815
Anne Tayac	525	815
<b>Total 2021</b>	<b>7,869</b>	<b>8,928</b>
Total 2020	6,312	10,937





# CONSOLI- DATED STATEMENTS





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# Key figures

## Financial Review

For the year ended 31 December

in millions of Swiss francs except earnings per share data	2021	2020
<b>Sales</b>	<b>6,684</b>	<b>6,322</b>
<b>Gross profit</b>	<b>2,855</b>	<b>2,659</b>
as % of sales	42.7%	42.1%
<b>EBITDA<sup>a</sup></b>	<b>1,482</b>	<b>1,397</b>
as % of sales	22.2%	22.1%
<b>Operating income</b>	<b>1,089</b>	<b>996</b>
as % of sales	16.3%	15.8%
<b>Income attributable to non-controlling interests</b>	<b>–</b>	<b>–</b>
<b>Income attributable to equity holders of the parent</b>	<b>821</b>	<b>743</b>
as % of sales	12.3%	11.8%
<b>Earnings per share – basic (CHF)</b>	<b>89.03</b>	<b>80.59</b>
<b>Earnings per share – diluted (CHF)</b>	<b>88.37</b>	<b>79.96</b>
<b>Operating cash flow<sup>b</sup></b>	<b>1,288</b>	<b>1,189</b>
as % of sales	19.3%	18.8%
<b>Free cash flow<sup>c</sup></b>	<b>843</b>	<b>811</b>
as % of sales	12.6%	12.8%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

b) After careful consideration with the Group auditors, the Group has determined that purchase and sale of own equity instruments relates to financing activities and has been reclassified from cash flows from (for) operating activities into cash flows from (for) financing activities.

c) Free Cash Flow refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.

For the six months ended 31 December (unaudited)

in millions of Swiss francs except earnings per share data	2021	2020
<b>Sales</b>	<b>3,311</b>	<b>3,101</b>
<b>Gross profit</b>	<b>1,375</b>	<b>1,300</b>
as % of sales	41.5%	41.9%
<b>EBITDA<sup>a</sup></b>	<b>673</b>	<b>663</b>
as % of sales	20.3%	21.4%
<b>Operating income</b>	<b>476</b>	<b>464</b>
as % of sales	14.4%	15.0%
<b>Income attributable to non-controlling interests</b>	<b>–</b>	<b>–</b>
<b>Income attributable to equity holders of the parent</b>	<b>340</b>	<b>330</b>
as % of sales	10.3%	10.6%
<b>Earnings per share – basic (CHF)</b>	<b>36.84</b>	<b>35.78</b>
<b>Earnings per share – diluted (CHF)</b>	<b>36.58</b>	<b>35.48</b>
<b>Operating cash flow<sup>b</sup></b>	<b>873</b>	<b>830</b>
as % of sales	26.4%	26.8%
<b>Free cash flow<sup>c</sup></b>	<b>657</b>	<b>633</b>
as % of sales	19.8%	20.4%

a) EBITDA: Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation. This corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

b) After careful consideration with the Group auditors, the Group has determined that purchase and sale of own equity instruments relates to financing activities and has been reclassified from cash flows from (for) operating activities into cash flows from (for) financing activities.

c) Free Cash Flow refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.

**Group**

For the year ended 31 December

in millions of Swiss francs	2021	2020
<b>Sales to third parties</b>	<b>6,684</b>	<b>6,322</b>
<b>EBITDA <sup>a</sup></b>	<b>1,482</b>	<b>1,397</b>
as % of sales	22.2%	22.1%
<b>One off items</b>	<b>(22)</b>	<b>(45)</b>
<b>Comparable EBITDA</b>	<b>1,504</b>	<b>1,442</b>
as % of sales	22.5%	22.8%
<b>Operating income</b>	<b>1,089</b>	<b>996</b>
as % of sales	16.3%	15.8%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

**Fragrance & Beauty**

For the year ended 31 December

in millions of Swiss francs	2021	2020
<b>Sales to third parties</b>	<b>3,091</b>	<b>2,924</b>
<b>EBITDA <sup>a</sup></b>	<b>696</b>	<b>677</b>
as % of sales	22.5%	23.2%
<b>One off items</b>	<b>(2)</b>	<b>(13)</b>
<b>Comparable EBITDA</b>	<b>698</b>	<b>690</b>
as % of sales	22.6%	23.6%
<b>Operating income</b>	<b>547</b>	<b>536</b>
as % of sales	17.7%	18.4%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

**Taste & Wellbeing**

For the year ended 31 December

in millions of Swiss francs	2021	2020
<b>Sales to third parties</b>	<b>3,593</b>	<b>3,398</b>
<b>EBITDA <sup>a</sup></b>	<b>786</b>	<b>720</b>
as % of sales	21.9%	21.2%
<b>One off items</b>	<b>(20)</b>	<b>(32)</b>
<b>Comparable EBITDA</b>	<b>806</b>	<b>752</b>
as % of sales	22.4%	22.1%
<b>Operating income</b>	<b>542</b>	<b>460</b>
as % of sales	15.1%	13.5%

a) EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.



# Consolidated financial statements

## Consolidated Income Statement

For the year ended 31 December

in millions of Swiss francs, except for earnings per share data	2021	2020
Sales	6,684	6,322
Cost of sales	(3,829)	(3,663)
<b>Gross profit</b>	<b>2,855</b>	<b>2,659</b>
as % of sales	42.7%	42.1%
Selling, marketing and distribution expenses	(921)	(848)
Research and product development expenses	(562)	(536)
Administration expenses	(239)	(218)
Share of results of joint ventures and associates	2	3
Other operating income	35	45
Other operating expense	(81)	(109)
<b>Operating income</b>	<b>1,089</b>	<b>996</b>
as % of sales	16.3%	15.8%
Financing costs	(94)	(86)
Other financial income (expense), net	(30)	(34)
<b>Income before taxes</b>	<b>965</b>	<b>876</b>
Income taxes	(144)	(133)
<b>Income for the period</b>	<b>821</b>	<b>743</b>
<b>Attribution</b>		
Income attributable to non-controlling interests	–	–
Income attributable to equity holders of the parent	821	743
as % of sales	12.3%	11.8%
<b>Earnings per share – basic (CHF)</b>	<b>89.03</b>	<b>80.59</b>
<b>Earnings per share – diluted (CHF)</b>	<b>88.37</b>	<b>79.96</b>

**Consolidated Statement of Comprehensive Income**

For the year ended 31 December

in millions of Swiss francs	<b>2021</b>	2020
<b>Income for the period</b>	<b>821</b>	<b>743</b>
<b>Items that may be reclassified to the income statement</b>		
<b>Cash flow hedges</b>		
Movement in fair value, net	54	(51)
Gains (losses) removed from equity and recognised in the consolidated income statement	9	6
Movement on income tax	(4)	4
<b>Exchange differences arising on translation of foreign operations</b>		
Movement in fair value arising on hedging instruments of the net assets in foreign operations	42	58
Change in currency translation	(31)	(385)
Movement on income tax	(2)	5
<b>Items that will not be reclassified to the income statement</b>		
<b>Defined benefit pension plans</b>		
Remeasurement gains (losses) of post employment benefit obligations	222	46
Movement on income tax	(40)	(5)
<b>Other comprehensive income for the period</b>	<b>250</b>	<b>(322)</b>
<b>Total comprehensive income for the period</b>	<b>1,071</b>	<b>421</b>
<b>Attribution</b>		
Total comprehensive income attributable to non-controlling interests	–	–
Total comprehensive income attributable to equity holders of the parent	1,071	421

**Consolidated Statement of Financial Position**

As at 31 December

in millions of Swiss francs	31 December 2021	31 December 2020
Cash and cash equivalents	273	411
Derivative financial instruments	16	54
Financial assets at fair value through income statement	4	4
Accounts receivable - trade	1,464	1,359
Inventories	1,380	1,201
Current tax assets	57	66
Prepayments	65	50
Other current assets	147	154
<b>Current assets</b>	<b>3,406</b>	<b>3,299</b>
Derivative financial instruments	37	65
Property, plant and equipment	2,291	2,222
Intangible assets	4,853	4,543
Deferred tax assets	182	218
Post-employment benefit plan assets	69	20
Financial assets at fair value through income statement	297	180
Interests in joint ventures and investments in associates	37	35
Other long-term assets	248	76
<b>Non-current assets</b>	<b>8,014</b>	<b>7,359</b>
<b>Total assets</b>	<b>11,420</b>	<b>10,658</b>
Short-term debt	428	206
Derivative financial instruments	37	49
Accounts payable - trade and others	1,008	809
Accrued payroll & payroll taxes	235	211
Current tax liabilities	188	157
Financial liability - own equity instruments	148	108
Provisions	13	23
Other current liabilities	261	233
<b>Current liabilities</b>	<b>2,318</b>	<b>1,796</b>
Derivative financial instruments	61	103
Long-term debt	4,239	4,245
Provisions	83	71
Post-employment benefit plan liabilities	371	545
Deferred tax liabilities	280	310
Other non-current liabilities	127	80
<b>Non-current liabilities</b>	<b>5,161</b>	<b>5,354</b>
<b>Total liabilities</b>	<b>7,479</b>	<b>7,150</b>
Share capital	92	92
Retained earnings and reserves	6,365	6,133
Own equity instruments	(211)	(168)
Other components of equity	(2,317)	(2,567)
<b>Equity attributable to equity holders of the parent</b>	<b>3,929</b>	<b>3,490</b>
Non-controlling interests	12	18
<b>Total equity</b>	<b>3,941</b>	<b>3,508</b>
<b>Total liabilities and equity</b>	<b>11,420</b>	<b>10,658</b>

**Consolidated Statement of Changes in Equity**

For the year ended 31 December

2021 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non- controlling interests	Total equity
<b>Balance as at 1 January</b>	<b>92</b>	<b>6,133</b>	<b>(168)</b>	<b>(148)</b>	<b>(1,935)</b>	<b>(484)</b>	<b>3,490</b>	<b>18</b>	<b>3,508</b>
Income for the period		821					821	–	821
Other comprehensive income for the period				59	9	182	250		250
<b>Total comprehensive income for the period</b>		<b>821</b>		<b>59</b>	<b>9</b>	<b>182</b>	<b>1,071</b>	<b>–</b>	<b>1,071</b>
Dividends paid		(589)					(589)		(589)
Movement on own equity instruments, net			(43)				(43)		(43)
Non-controlling interests								(6)	(6)
<b>Net change in other equity items</b>		<b>(589)</b>	<b>(43)</b>				<b>(632)</b>	<b>(6)</b>	<b>(638)</b>
<b>Balance as at 31 December</b>	<b>92</b>	<b>6,365</b>	<b>(211)</b>	<b>(89)</b>	<b>(1,926)</b>	<b>(302)</b>	<b>3,929</b>	<b>12</b>	<b>3,941</b>

2020 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Remeasurement of post employment benefit obligations	Equity attributable to equity holders of the parents	Non- controlling interests	Total equity
<b>Balance as at 1 January</b>	<b>92</b>	<b>5,961</b>	<b>(168)</b>	<b>(107)</b>	<b>(1,613)</b>	<b>(525)</b>	<b>3,640</b>	<b>19</b>	<b>3,659</b>
Income for the period		743					743	–	743
Other comprehensive income for the period				(41)	(322)	41	(322)		(322)
<b>Total comprehensive income for the period</b>		<b>743</b>		<b>(41)</b>	<b>(322)</b>	<b>41</b>	<b>421</b>	<b>–</b>	<b>421</b>
Dividends paid		(571)					(571)		(571)
Movement on own equity instruments, net									
Non-controlling interests								(1)	(1)
<b>Net change in other equity items</b>		<b>(571)</b>					<b>(571)</b>	<b>(1)</b>	<b>(572)</b>
<b>Balance as at 31 December</b>	<b>92</b>	<b>6,133</b>	<b>(168)</b>	<b>(148)</b>	<b>(1,935)</b>	<b>(484)</b>	<b>3,490</b>	<b>18</b>	<b>3,508</b>



**Consolidated Statement of Cash Flows**

For the year ended 31 December

in millions of Swiss francs	<b>2021</b>	2020
Income for the period	821	743
Income tax expense	144	133
Interest expense	86	80
Non-operating income and expense	38	40
<b>Operating income</b>	<b>1,089</b>	<b>996</b>
Depreciation of property, plant and equipment	204	201
Amortisation of intangible assets	186	187
Impairment of long-lived assets	3	13
<b>Other non-cash items</b>		
- share-based payments	67	56
- pension expense	45	49
- additional and unused provisions, net	18	20
- other non-cash items	(5)	(18)
<b>Adjustments for non-cash items</b>	<b>518</b>	<b>508</b>
(Increase) decrease in inventories	(165)	(68)
(Increase) decrease in accounts receivable	(93)	(76)
(Increase) decrease in other current assets	(15)	(19)
Increase (decrease) in accounts payable	167	27
Increase (decrease) in other current liabilities	10	2
<b>(Increase) decrease in working capital</b>	<b>(96)</b>	<b>(134)</b>
<b>Income taxes paid</b>	<b>(153)</b>	<b>(125)</b>
Pension contributions paid	(53)	(40)
Provisions used	(17)	(16)
<b>Cash flows from (for) operating activities<sup>a)</sup></b>	<b>1,288</b>	<b>1,189</b>

Table continued on page 141 ►

► Table continued from page 140

in millions of Swiss francs	2021	2020
Increase in long-term debt	316	1,405
(Decrease) in long-term debt	(14)	(784)
Increase in short-term debt	1,514	3,044
(Decrease) in short-term debt	(1,510)	(3,300)
<b>Cash flows from debt, net</b>	<b>306</b>	<b>365</b>
Interest paid	(72)	(53)
Purchase and sale of derivative financial instruments, net	(26)	(19)
Lease payments	(57)	(52)
Transactions of non-controlling interest	(6)	(7)
Others, net	(5)	(9)
<b>Cash flows from financial liabilities</b>	<b>140</b>	<b>225</b>
Distribution to the shareholders paid	(589)	(571)
Purchase and sale of own equity instruments, net	(69)	(56)
<b>Cash flows from (for) financing activities</b>	<b>(518)</b>	<b>(402)</b>
Acquisition of property, plant and equipment	(186)	(188)
Acquisition of intangible assets	(70)	(39)
Acquisition of subsidiary, net of cash acquired	(401)	(629)
Proceeds from the disposal of property, plant and equipment	9	8
Proceeds from sales of intangible assets		2
Interest received	8	3
Dividends received from jointly controlled entities	1	1
Purchase and sale of financial assets at fair value through income statement, net	(92)	(3)
Impact of financial transactions on investing, net	(27)	25
Others, net	(149)	1
<b>Cash flows from (for) investing activities</b>	<b>(907)</b>	<b>(819)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(137)</b>	<b>(32)</b>
Net effect of currency translation on cash and cash equivalents	(1)	(9)
Cash and cash equivalents at the beginning of the period	411	452
<b>Cash and cash equivalents at the end of the period</b>	<b>273</b>	<b>411</b>

a) After careful consideration with the Group auditors, the Group has determined that purchase and sale of own equity instruments relates to financing activities and has been reclassified from cash flows from (for) operating activities into cash flows from (for) financing activities.

#### READ MORE

The full Financial Report can be found in our 2021 Governance, Compensation and Financial Report ► pages 40–125

# Consolidated ESG data

## Environmental performance indicators

Key performance indicators		2015 (restated in 2021) <sup>1</sup>	2020 (restated in 2021) <sup>2</sup>	2021 <sup>3</sup>
<b>Energy</b>				
<b>Energy (GJ)</b>	Direct energy consumption primary sources <sup>4</sup>	1,710,865	2,444,093	2,511,855
	Indirect energy: purchased electricity & steam	977,021	1,307,527	1,299,385
	<b>Total energy</b>	<b>2,687,886</b>	<b>3,751,620</b>	<b>3,811,240</b>
<b>Energy efficiency (GJ/tonne of production)</b>	Direct energy efficiency	4.44	4.28	4.30
	Indirect energy efficiency	2.54	2.29	2.22
	<b>Total energy</b>	<b>6.98</b>	<b>6.57</b>	<b>6.52</b>
<b>Emissions</b>				
<b>GHG emissions (tonnes)</b>				
Scope 1	From direct energy sources <sup>5</sup>	139,374	133,707	139,608
	From biogenic sources <sup>6</sup>	4,700	3,925	3,574
Scope 2	From indirect energy sources <sup>5</sup>	106,879	54,075	31,090
	From biogenic sources <sup>6</sup>		1,333	397
	<b>Total scope 1 + 2 GHG emissions direct and indirect</b>	<b>246,253</b>	<b>187,782</b>	<b>170,698</b>
	Total scope 1 + 2 GHG emissions biogenic	4,700	5,257	3,971
Scope 3	Purchased good and services	1,917,037	1,901,374	1,902,794
	Raw materials	1,691,701	1,676,242	1,677,400
	Other Indirect materials & services categories (excluding existing categories) <sup>7</sup>	146,856	132,686	133,055
	Packaging	78,480	92,446	92,339
	Capital goods <sup>7</sup>	51,722	72,797	56,003
	Fuel- and energy-related activities	105,744	68,001	36,349
	Upstream transportation and distribution	29,674	42,320	39,990
	Waste generated in operations	19,321	22,644	24,084
	Business travel	24,461	12,587	1,794
	Employee commuting	21,516	20,454	13,277
	Downstream transportation and distribution	54,615	56,099	65,297
	Outbound product to customers	39,503	38,172	42,343
	Outbound intercompany deliveries	15,112	17,927	22,954
	<b>Total scope 3 GHG emissions</b>	<b>2,224,090</b>	<b>2,196,276</b>	<b>2,139,587</b>
<b>Total GHG emissions (excluding biogenic emissions)</b>		<b>2,470,343</b>	<b>2,384,058</b>	<b>2,310,285</b>
GHG emissions efficiency (tonnes of GHG/ tonne of production) <sup>8</sup>	Scope 1: from direct energy sources (excluding biogenic)	–	0.23	0.24
	Scope 2: from indirect energy sources (excluding biogenic)	–	0.09	0.05
	<b>Total GHG emissions</b>	<b>–</b>	<b>0.33</b>	<b>0.29</b>

Table continued on page 143 ►

► Table continued from page 142

Key performance indicators		2015 (restated in 2021) <sup>1</sup>	2020 (restated in 2021) <sup>2</sup>	2021 <sup>3</sup>
<b>Waste</b>				
<b>Hazardous waste (tonnes)</b>	Preparation for reuse <sup>9</sup>	–	–	12,495
	Recycling	–	–	9,150
	Other recovery operations <sup>9</sup>	–	–	7,103
	<b>Total hazardous waste diverted from disposal by recovery operation</b>	<b>15,152</b>	<b>20,969</b>	<b>28,748</b>
	Incinerated without energy recovery offsite	4,412	5,853	5,917
	Incinerated with energy recovery	6,337	7,042	8,225
	Landfilled	318	221	137
	<b>Total hazardous waste directed to disposal by disposal operation</b>	<b>11,067</b>	<b>13,116</b>	<b>14,279</b>
	<b>Total hazardous waste</b>	<b>26,219</b>	<b>34,085</b>	<b>43,026</b>
<b>Non-hazardous waste (tonnes)</b>	Preparation for reuse <sup>9</sup>	–	–	1,621
	Recycling	–	–	63,814
	Recycling	–	–	20,416
	Composted	–	–	16,420
	Biogas production	–	–	26,978
	Other recovery operations <sup>9</sup>	–	–	487
	<b>Total non-hazardous waste diverted from disposal by recovery operation</b>	<b>28,117</b>	<b>55,863</b>	<b>65,921</b>
	Incinerated without energy recovery	1,153	1,318	1,256
	Incinerated with energy recovery	1,076	2,336	3,610.02
	Landfilled	6,412	9,635	10,233
	<b>Total non-hazardous waste directed to disposal by disposal operation</b>	<b>8,642</b>	<b>13,289</b>	<b>15,099</b>
	<b>Total non-hazardous waste</b>	<b>36,758</b>	<b>69,152</b>	<b>81,021</b>
<b>Total incinerated and landfilled waste (HZ and NHZ, tonnes)</b>		<b>19,709</b>	<b>26,405</b>	<b>29,378</b>
<b>Waste efficiency (kg/tonne of production)<sup>10</sup></b>		<b>51.2</b>	<b>46.2</b>	<b>50</b>
<b>One-off waste (tonnes)<sup>11</sup></b>		<b>2,219</b>	<b>2,509</b>	<b>2,354</b>
<b>Total waste (tonnes)</b>		<b>65,197</b>	<b>105,746</b>	<b>126,401</b>

Table continued on page 144 ►



► Table continued from page 143

Key performance indicators		2015 (restated in 2021) <sup>1</sup>	2020 (restated in 2021) <sup>2</sup>	2021 <sup>3</sup>
<b>Water</b>				
<b>Water intake (m³)</b>	Surface water	5,006,361	4,923,265	5,088,104
	Groundwater	1,390,267	1,561,661	1,390,612
	Seawater	–	–	547
	Third-party water – purchased water	2,359,818	3,205,348	3,495,105
	Rainwater collected directly and stored by the reporting organisation	13,249	13,200	14,099
	Third-party water – wastewater from another organisation	259,727	275,828	248,004
	<b>Total water withdrawal<sup>12</sup></b>	<b>9,029,422</b>	<b>9,979,302</b>	<b>10,236,472</b>
<b>Water efficiency (m³/tonne of production)<sup>13</sup></b>		<b>9.74</b>	<b>8.35</b>	<b>8.36</b>
<b>Water discharge (m³)</b>	To the environment w/o biological treatment	–	3,832,499	4,414,877.87
	To the environment after biological treatment	–	2,131,546	2,076,603.46
	To external treatment facility w/o pre-treatment	–	790,277	751,255.64
	To external treatment facility with pre-treatment	–	1,881,652	1,987,000.33
	<b>Total water discharge</b>	<b>–</b>	<b>8,635,974</b>	<b>9,229,737.30</b>
Water consumption (m³)	Water consumption	–	1,343,328	1,006,734.44
COD (tonnes)	COD load of water discharged to the environment	–	284.50	245.19
<b>Other data</b>				
	Nitrogen oxides – NO <sub>x</sub> (tonnes) <sup>14</sup>	–	66.71	69.28
	Sulphur dioxide – SO <sub>2</sub> (tonnes) <sup>14</sup>	–	96.84	98.37
	Volatile organic compounds (tonnes)	–	1,018.46	1,069.22
	CFC inventory (kg)	–	7,639	3,881.41
	CFC <sup>11</sup> equivalent inventory (kg)	–	783	574.00
	CFC loss-replacement (kg)	–	765	525.62
	CFC <sup>11</sup> equivalent loss/replacement (kg)	–	42	28.91
<b>Production</b>				
	Production quantities (tonnes)	385,189	571,141	584,154.76

- Assured 2015 full-year figures. For Scope 1, 2 and 3 these values include the acquisitions of Naturex, Vika and drom sites. See the "Restatements of information" section for restatements. For all other figures, these values exclude the acquisitions of Naturex, Vika and drom sites.
- Assured 12-month rolling figures (Q4 2019 to Q3 2020) for values excluding the acquisitions of Naturex, Vika and drom sites. These latter figures have been included in the reported values, but have not been assured by the third-party auditor. See the "Restatements of information" section for restatements in the 2021 GRI Sustainability Report page 81.
- Assured 12-month rolling figures (Q4 2020 to Q3 2021) for values including the acquisitions of Naturex, Vika and drom sites.
- For 2021, includes natural gas (0.0336 GJ/m³), light fuel (39.5904 GJ/m³), heavy fuel (40.1759 GJ/m³), Liquid Petroleum Gas (24.6719 GJ/m³), town gas (0.0254 GJ/m³), waste used as energy source (22.5000 GJ/m³), biofuel (33,1080 GJ/m³), biogas (0.0342 GJ/m³), biomass (0.0116 kg/GJ), geothermal energy (0.0036 GJ/kWh), deducting steam sold (3.0750 GH/tonnes).
- Including emissions from CH<sub>4</sub> and N<sub>2</sub>O from usage of biomass/biofuels.
- Including emissions from CO<sub>2</sub> from usage of biomass/biofuels.
- These two categories do not include data for the recent acquisitions of Naturex, Vika and drom.
- Includes only scope 1 and scope 2.
- This data was not collected in 2015. We started to include this category in our reporting in 2020. In the past, this treatment was included in the recycling processes.
- Includes incinerated with and without energy recovery and landfilled waste (HZ and NHZ).
- This indicator measures the total quantity of waste that is not directly related to the daily operations, but is categorised as one-off waste.  
Examples of waste in this category are waste materials coming from demolition or remediation activities or waste or raw materials following an unusual incident, e.g., a fire.
- Includes sanitary, cooling and process water.
- Includes third-party water (municipal supplies / purchased water) and groundwater.
- Quantity is calculated by multiplying the annual fuel consumption by the corresponding emission factor for fuel type.

## Social performance indicators

### Total Givaudan employees

	2021	2020
<b>Total number of full time employees<sup>1</sup></b>	<b>16,842</b>	<b>15,852</b>
<b>Total head count<sup>2</sup></b>	<b>14,128</b>	<b>12,807</b>

### Employees<sup>2</sup> by employment type

	Full-time		Part-time		Total	
	Women	Men	Women	Men	Women	Men
Asia Pacific	1,422	1,582	11	1	1,433	1,583
Europe	2,093	3,302	151	49	2,244	3,351
South Asia, Middle East and Africa	305	737	1		306	737
Latin America	758	1,291	2		760	1,291
North America	832	1,587	4		836	1,587
<b>Total 2021</b>	<b>5,410</b>	<b>8,499</b>	<b>169</b>	<b>50</b>	<b>5,579</b>	<b>8,549</b>
Total 2020	4,864	7,732	162	49	5,026	7,781

### Employees<sup>2</sup> by employment contract

	Permanent		Temporary		Total	
	Women	Men	Women	Men	Women	Men
Asia Pacific	1,393	1,556	40	27	1,433	1,583
Europe	2,167	3,239	77	112	2,244	3,351
South Asia, Middle East and Africa	300	725	6	12	306	737
Latin America	740	1,243	20	48	760	1,291
North America	836	1,587			836	1,587
<b>Total 2021</b>	<b>5,436</b>	<b>8,350</b>	<b>143</b>	<b>199</b>	<b>5,579</b>	<b>8,549</b>
Total 2020	4,935	7,681	91	100	5,026	7,781

### Staff<sup>2</sup> turnover by age group, gender and region

	Age range			Gender		Total
	<30	30-50	>50	Women	Men	
Asia Pacific	15%	9%	11%	11%	10%	10%
Europe	12%	6%	8%	8%	7%	7%
South Asia, Middle East and Africa	15%	6%	9%	8%	8%	8%
Latin America	15%	10%	7%	12%	10%	11%
North America	30%	15%	15%	15%	19%	17%
<b>Total 2021</b>	<b>16%</b>	<b>9%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>	<b>10%</b>
Total 2020	12%	8%	9%	8%	9%	9%

New employee<sup>2</sup> hires by age group, gender and region

	Age range			Gender		Total
	<30	30-50	>50	Women	Men	
Asia Pacific	176	248	14	199	239	438
Europe	290	417	27	306	428	734
South Asia, Middle East and Africa	61	80	3	52	92	144
Latin America	216	274	10	179	321	500
North America	184	252	80	142	374	516
<b>Total 2021</b>	<b>927</b>	<b>1,271</b>	<b>134</b>	<b>878</b>	<b>1,454</b>	<b>2,332</b>
Total 2020	629	914	89	684	948	1,632

Employees<sup>2</sup> categories and composition of governance bodies

	Women	Men	Asia Pacific	Europe	SAMEA	Latin America	North America	Total
Senior Leaders <sup>3</sup>	51	148	20	121	6	17	35	199
-in %	26%	74%	10%	61%	3%	9%	18%	100%
Middle managers	1,967	1,941	918	1,578	318	436	658	3,908
-in %	50%	50%	23%	40%	8%	11%	17%	100%
Associates	3,561	6,460	2,078	3,896	719	1,598	1,730	10,021
-in %	36%	64%	21%	39%	7%	16%	17%	100%
<b>Total 2021</b>	<b>5,579</b>	<b>8,549</b>	<b>3,016</b>	<b>5,595</b>	<b>1,043</b>	<b>2,051</b>	<b>2,423</b>	<b>14,128</b>

1. This is defined as the equivalent full time employees and includes acquisitions (Activ International, Vika B.V., Naturex, Centroflora, Expressions Parfumées, Albert-Vieille, Golden Frog, Ungerer, drom, Fragrance Oil, Alderys, DDW and Custom Essence).

2. This is defined as the number of physical people and includes internal temporary and regular employees. In 2020, it included Activ International but all other acquisitions excluded. In 2021, it includes Activ International and drom integrated entities, all other acquisitions are excluded.

3. Including the Executive Committee.

## Health and safety indicators

	2018	2020	2021
Number of Total Recordable Cases (TRC) <sup>1</sup>	130	115	180
Fatalities	0	0	0
Number of LTIs	24	32	59
Number of Restricted Work Cases (RWC)	56	46	63
Number of Medical Treatment Cases (MTC)	50	37	58
Total Recordable Case Rate	1.33	0.88	1.04
LTI rate	0.25	0.25	0.34
Number of lost days <sup>2</sup>	645	998	855
Lost day rate <sup>3</sup>	6.61	7.65	4.95
Number of hours worked <sup>4</sup>	19,503,663	26,094,174	34,544,283
Absenteeism <sup>5</sup>	2.7%	2.9%	3.6%

1. TRC is according to the official OSHA definition. The 2021 figure increased with the inclusion of our acquisitions.

2. 2020 includes 73 days carried over from previous year. 2021 includes 21 days carried over from previous year.

3. Number of lost work days resulting from work-related accidents per 200,000 working hours. Calculation based on scheduled work days lost from the day after the accident.

4. 8.9% of these represent external contractors for whom the Company is liable.

5. Compared to the number of normal available working days, includes correction for employees working on a part-time basis. With regards to COVID-19, only absences due to positive tests are in scope.

## Total recordable cases by region

	2020	2021
Asia Pacific	17	15
Europe, Middle-East & Africa	51	74
Latin America	4	9
North America	43	82
<b>Total</b>	<b>115</b>	<b>180</b>

## Governance performance indicators

## Board of Directors

Number of members	8
Number of women	3
Years average tenure	6.4
Nationalities represented	5
Total compensation paid	CHF 3,183,126

## Executive Committee

Number of members	7
Number of women	1
Years average tenure	6.6
Nationalities represented	6
Total compensation paid	CHF 20,405,999



A close-up photograph of several pink roses in various stages of bloom, resting on a rustic wooden surface. The background is softly blurred, showing more roses and the wood grain. A semi-transparent dark rectangular box is overlaid on the left side of the image, containing the word 'APPENDIX' in white capital letters. A small pink L-shaped graphic element is located at the top-left corner of the dark box.

# APPENDIX



The background of the entire page is a close-up photograph of numerous pink roses. The petals are in various stages of bloom, showing soft pink and white hues. The lighting is soft, creating a gentle, romantic atmosphere. The roses are densely packed, filling the frame.

<b>Our global presence</b>	<b>150</b>
<b>Givaudan sites worldwide</b>	<b>152</b>
<b>About this report</b>	<b>160</b>
<b>Glossary</b>	<b>169</b>
<b>Our reporting suite</b>	<b>172</b>

# Our global presence

Our size and our operations footprint give us a unique exposure to the diversity of high growth markets in which we continue to invest with additional talent and new facilities to service the wide diversity of our customers.

Our geographical balance continues to contribute to natural hedges against impacts such as the COVID-19 pandemic.

## Givaudan's presence in numbers

**185** sites worldwide, in **52** countries

**79** production sites

**69** creation and research centres

**>16,800** employees (FTE)

**>11,780** customers at a global level

**>126,460** products sold per year

### NORTH AMERICA

**13** Production sites

**19%** of employees

### LATIN AMERICA

**9** Production sites

**14%** of employees






# Givaudan sites worldwide

 Taste & Wellbeing  Fragrance & Beauty

1. Locations taken into account for GRI scope: ☒ health & safety performance or ☒ environment, health & safety indicators.

2. GBS centre.
























Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
<b>Algeria</b>	Tour A – 4 <sup>ème</sup> étage, Business Centre Dar El Madina, Micro Zone d'activité Hydra Lot No. 20, 16035 Algiers	Givaudan International SA (Suisse) Bureau de Liaison Algérie			<input checked="" type="checkbox"/>	
<b>Argentina</b>	San Lorenzo 4759, Esquina Ave Mitre, Munro, Prov. Buenos Aires B 1605 EIO	Givaudan Argentina SA		✓	✓	✓
	Ruta 9 Panamericana Km 36.5, Partido Malvinas Argentinas, Buenos Aires B1667KOV	Givaudan Argentina SA		✓	✓	✓
	Tronador 4890, 8° piso, Buenos Aires C 1430 DNN CABA	Givaudan Argentina Servicios SA <sup>2</sup>			<input checked="" type="checkbox"/>	
<b>Australia</b>	12 – 14 Britton Street, Smithfield, Sydney NSW 2164	Givaudan Australia Pty Ltd		✓	✓	
	Unit 36, 5 Inglewood Place, Baulkham Hills, Sydney NSW 2153	Givaudan Australia Pty Ltd			<input checked="" type="checkbox"/>	✓
	Suite West 11A, ground fl., 215 Bell Street, Preston VIC 3072	Givaudan Australia Pty Ltd			<input checked="" type="checkbox"/>	
	9 Garling Road, Kings Park, NSW2148, PO Box 4165, Marayong NSW 2148, Sydney	Naturex Australia Pty Ltd.		✓	✓	
	Parkview business centre suite 2, 1 Maitland place, Baulkham Hills, Sydney, NSW 2153	drom international Pty Ltd.				
	P.O. Box 2143, Taren Point NSW 22229	Ungerer Australia Pty. Ltd		✓		
<b>Austria</b>	Twin Tower Vienna, Wienerbergstrasse 11, 1109 Vienna	Givaudan Austria GmbH			<input checked="" type="checkbox"/>	✓
<b>Belgium</b>	Lausbedstraat 4, 3630 Maasmechelen	Naska Ingredients NV		✓	✓	
	Val d'Or, Gulledele, 96 BE-1200 Woluwe Saint Lambert, Brussels	Naturex SPRL				
<b>Brazil</b>	Avenida Engenheiro Billings 2185, Jaguaré, São Paulo, 05321-010	Givaudan do Brasil Ltda		✓	✓	✓
	Avenida Engenheiro Billings 1653 & 1729, Jaguaré, São Paulo, 05321-010	Givaudan do Brasil Ltda			✓	✓
	Rodovia Eduardo Zuccari, Km 21,5, Chácara Recreio Vista Alegre, Botucatu, São Paulo, 18603-970	Givaudan		✓	✓	
	Av. Buriti, no. 5391, Distrito Industrial, CEP: 69.075-000, Manaus	Naturex Ingredientes Naturais Ltda		✓		
	Rua George Ohm, 230, Conj. 22 (Torre B), 04576-020 Brooklin Novo, São Paulo	Naturex Ingredientes Naturais Ltda				
	Ave. Buriti 5680, Distrito Industrial 69075-000 Manaus Amazonas	DDW, The Color House		✓		
<b>Canada</b>	2400 Matheson Blvd. East, Mississauga, Ontario L4W 5G9	Givaudan Canada Co.			<input checked="" type="checkbox"/>	
<b>Chile</b>	Avda Del Valle 869, oficina 202, Ciudad Empresarial, Comuna de Huechuraba, Santiago de Chile	Givaudan Chile Ltda			<input checked="" type="checkbox"/>	✓
	Avenida Suecia Nro. 0142 Oficina 303-304, Comuna Providencia, Región Metropolitana	Chile Botanics Spa				
	Longitudinal Sur Km 297, S/N, Linares, Región del Maule	Chili Botanics Spa		✓	✓	
	Calle Rio Reefugio 9663, Pudahuel, Santiago	DDW, The Color House				






































Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
China	15F, Tower 2, Kun Sha Center, no. 16 Xin Yuan Li Road, Chao Yang District, 100027 Beijing	Givaudan Flavors (Shanghai) Ltd Beijing Branch			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	15F, Tower 2, Kun Sha Center, no. 16 Xin Yuan Li Road, Chao Yang District, 100027 Beijing	Givaudan Fragrances (Shanghai) Ltd Beijing Branch			<input checked="" type="checkbox"/>	
	668 Jing Ye Road, Jin Qiao Export Area, Pu Dong New Area, 201201 Shanghai	Givaudan Flavors (Shanghai) Ltd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	298 Li Shi Zhen Road, Zhangjiang High-Tech Park, Pudong New Area, 201203 Shanghai	Givaudan Fragrances (Shanghai) Ltd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	222, Jiang Tian East Road, Songjiang Development Zone, 201600 Shanghai	Givaudan Specialty Products (Shanghai) Ltd	 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	No. 7 Jianghai Road, Nantong Economic and Technological Development Area, 226017 Nantong, Jiangsu Province	Givaudan Flavours (Nantong) Ltd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Unit 5, 15F Shuion Center, no. 374 – 2 Beijing Road, Yue Xiu District, 510030 Guangzhou	Givaudan Flavors (Shanghai) Ltd Guangzhou Branch			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Unit 6 – 7, 15F Shuion Center, no. 374 – 2 Beijing Road, Yue Xiu District, 510030 Guangzhou	Givaudan Fragrances (Shanghai) Ltd Guangzhou Branch			<input checked="" type="checkbox"/>	
	Room 2001, 20F Funian Plaza-2, no. 666 Jitai Road, Gaixin District, 610041 Chengdu, Sichuan Province	Givaudan Flavors (Shanghai) Ltd Chengdu Branch			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	No.2 Chun Cheng Road, Chun Jiang Town, Xin Bei District, Changzhou, 213033, Jiangsu Province	Givaudan Fragrance (Changzhou) Ltd		<input checked="" type="checkbox"/>		
	Room 1301, Block A, Building 2, Greenland New Metropolis, No. 80 Jinshui East Road, Zhengzhou 450046, Henan Province	Givaudan Flavors (Shanghai) Ltd Zhengzhou Branch			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Shanghai Juke Biotech Park, 6 <sup>th</sup> Floor, Bdg 4, no.333 Guiping Road, Xuhui District, 200233 Shanghai	Naturex Trading Shanghai Co, Ltd				
	no. 66, Hongjing Road, 510760, Guangdong	drom fragrances international (Guangzhou) Ltd.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Colombia	3823 Jiang Cheng Road, 200245 Shanghai	DDW, The Color House		<input checked="" type="checkbox"/>		
	Carrera 98 no. 25 G – 40, 151196 Bogotá D.C.	Givaudan Colombia SAS	 		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Czech Republic	Klimentská 10, Praha 110 00	Givaudan CR, s.r.o.			<input checked="" type="checkbox"/>	
Egypt	Piece 37, Industrial Zone 3, 6 <sup>th</sup> of October City	Givaudan Egypt SAE		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	46 El Thawra st., 3 <sup>rd</sup> floor, Appt 304, Heliopolis	Givaudan Egypt Fragrances LLC			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Eswatini	Smithco Industrial Park #19, King Mswati III Avenue, Plot 471, Matsapha M202	DDW, The Color House		<input checked="" type="checkbox"/>		
Finland	Niemenkatu 73, 15140 Lahti	Givaudan International SA, Branch in Finland			<input checked="" type="checkbox"/>	

 Taste & Wellbeing  Fragrance & Beauty

1. Locations taken into account for GRI scope: ☒ health & safety performance or ☒ environment, health & safety indicators.

2. GBS centre.

Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
France	46 avenue Kléber, 75116 Paris	Givaudan France SAS			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	4 rue Lord Byron, 75008 Paris	Expressions Parfumées				
	4 Rue Lord Byron, 75008 Paris	Expressions Parfumées				
	4 et 6 rue Curie, 92150 Suresnes, Paris	drom international S.A.R.L.				<input checked="" type="checkbox"/>
	55 rue de la Voie des Bans, 95102 Argenteuil Cedex	Givaudan France SAS			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	19 – 23 rue de la Voie des Bans, 95102 Argenteuil Cedex	Givaudan France SAS			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	16 rue Henri Becquerel, BP 525 – ZI Mitry Compans, 77295 Mitry Mory	Activ International SAS		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Route de Bazancourt, 51110 Pomacle	Givaudan France SAS		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Anse du Pors Gelin, 22560 Pleumeur Bodou	Givaudan France SAS		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	3 Rue des Satellites, 31400 Toulouse	Givaudan France SAS			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	136 Chemin de Saint- Marc, 06130 Grasse	Expressions Parfumées		<input checked="" type="checkbox"/>		
	250 rue Pierre Bayle – BP 81218 – 84911 Avignon Cedex 9	Naturex SA		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Actiparc de Pont de Vaux /Les Chapelles Sud – 01190 Reyssouze	Naturex SA		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	St Jean Baptiste 629 Route de Grasse, 6220 Vallauris	Albert Vieille SAS				
	Bâtiment Mélèze, 86 rue de Paris, 91400 Orsay	Alderys				
	ENSG, 2 rue du Doyen Marcel Roubaud, 54500 Vandoeuvre lès Nancy Myrissi					<input checked="" type="checkbox"/>
	Station F - 5, Parvis Alan Turing, Paris 13th	Myrissi				<input checked="" type="checkbox"/>
Germany	Giselherstrasse 11, 44319 Dortmund	Givaudan Deutschland GmbH		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Lehmweg 17, 20251 Hamburg	Givaudan Deutschland GmbH			<input checked="" type="checkbox"/>	
	Im Zollhafen 24, Kranhaus Süd, 50678 Köln	Naturex GmbH				
	Oberdiller strasse 18, 82065 Baierbrunn	Givaudan Deutschland GmbH		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Guatemala	Boulevard Los Proceres 18, Calle 24 – 69 Zona 10, Empresarial Zona Pradera, Torre 1, Oficiana 1201-01010	Givaudan Guatemala SA			<input checked="" type="checkbox"/>	
Hungary	Királyhegyesi út 3, 6900 Makó	Givaudan Hungary Kft		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Bence utca 1. , Váci Greens B, 1138 Budapest	Givaudan Business Solutions Kft <sup>2</sup>			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

























Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
India	Plot No. 30, Survey no. 168, Dabhel Industrial Estate, Daman 396210	Givaudan (India) Pvt Ltd		✓	✓	
	Survey no. 57/3 (2) & 3, Village Dunetha, Daman 396 210	Givaudan (India) Pvt Ltd		✓	✓	
	Plot no. 26, 2nd Cross Jigani Industrial Area, Anekal Taluk, Jigani, Bangalore, Karnataka 560 105	Givaudan (India) Pvt Ltd		✓	✓	
	13 <sup>th</sup> Floor Prestige Meridian 1, 29 MG Road, Bangalore 560001	Givaudan (India) Pvt Ltd	 		☑	
	401 Akruti Centre Point, 4 <sup>th</sup> Floor, MIDC Central Road, MIDC, Andheri (East), Mumbai 400093	Givaudan (India) Pvt Ltd	 		☑	✓
	406 – 410, 4 <sup>th</sup> Floor, JMD Pacific Square, Sector 15, Part II, Gurgaon 122001, Haryana	Givaudan (India) Pvt Ltd	 		☑	
	H-2 Ranjangaon Industrial Area Phase II, Pune 412209	Givaudan (India) Pvt Ltd	 	✓	✓	
	Star Hub, Building no. 02, 3 <sup>rd</sup> Floor, 302, Sahar Airport Road, Near ITC Grand Maratha, Andheri (E), 400 059 Mumbai	Naturex India Pty Ltd				
	Plot no. 15/2, Dhataw, Roha, District, Raigad, 402116 Mumbai	Naturex SA		✓	✓	
Indonesia	Plot No. F-366, Phase - Viii-B, Ind. Focal Point, Mohali, Punjab	Ungerer Flavours India Private Limited		✓		
	Jl. Raya Jakarta-Bogor Km 35, Cimanggis Depok, 16951 West Java	PT. Givaudan Indonesia	 	✓	✓	
	Capital Place, 9 <sup>th</sup> floor, Jl. Jend. Gatot Subroto Kav. 18, 12710 Jakarta	PT. Givaudan Indonesia	 		☑	✓
	Rukan Permata Senayan blok B-22. Jalan Tentara Pelajar, Senayan, 12210 Jakarta	PT Fragrance Oils Indonesia	 			
Iran	German Center Building, 6th floor, suites 6120-6130, jl. kapt. subijanto dj., 15321 South Tangerang City, Banten	PT drom fragrances Indonesia				✓
	P.O. Box 15175/534 – no.202 – 204, Gol Bld., Gol Alley, After Park Saei, Vali Asr, Tehran	Givaudan International SA, Iran Branch	 		☑	
Ireland	Unit D, Island Corporate Park, Little Island, Co. Cork T45 F673	DDW, The Color House				
Italy	Via XI Febbraio 99, 20090 Vimodrone (MI)	Givaudan Italia SpA	 		☑	✓
	Via Valassina 24, 2015 Milan	drom international Italia S.R.L.				
	Via Varesina 162, 20156 Milan	Expressions Parfumées				
	Via Galileo Ferraris, 44, 21042 Caronno Pertusella (VA)	Naturex SpA		✓	✓	
Ivory Coast	Immeuble RMO, 5 <sup>ème</sup> étage, rue du Docteur Blanchard Zone 4C, Abidjan	Givaudan International. SA Côte d'Ivoire	 		☑	
	Abidjan Yopougon, Chaumière du Banco, 04 BP 1682, Abidjan	ITRAD				
Japan	3014 – 1 Shinohara-cho, Yokohama-shi, Kanagawa 222-0026	Givaudan Japan K.K.			☑	✓
	3056 Kuno, Fukuroi-shi, Shizuoka 437-0061	Givaudan Japan K.K.		✓	✓	
	3 – 6 – 6 Tokiwa New Building, Osaki, Sinagawa-Ku, Tokyo 141-0032	Givaudan Japan K.K.			☑	✓
	NBC MITA Building 7F, 5 – 29 – 18, Shiba, Minato-ku, Tokyo 108-0014	Naturex KK				
Kenya	Vienna Court, Ground floor, West Wing Building, State House Crescent Road, P.O. Box 44168-00100 Nairobi	Givaudan MEA FZE - Kenya			☑	
Korea (Republic of)	11/F Trust Tower Bldg, 60 Mabang-ro, Seocho-Gu, Seoul 06775	Givaudan Korea Ltd			☑	✓
	12/F Trust Tower Bldg, 60 Mabang-ro, Seocho-Gu, Seoul 06775	Givaudan Korea Ltd			☑	✓





























 Taste & Wellbeing  Fragrance & Beauty

1. Locations taken into account for GRI scope: ☒ health & safety performance or ☒ environment, health & safety indicators.



















































2. GBS centre.






























Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
Malaysia	A-901 Menara 1, Kelana Brem Towers, Jalan SS 7/15 (Jalan Stadium), 47301 Petaling Jaya Selangor Darul Ehsan	Givaudan Flavours & Fragrances Malaysia Sdn. Bhd			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	No. 121, Jalan Usaha 10, Kawasan Perindustrian Ayer Keroh, 75450 Malacca	Givaudan Flavours & Fragrances Malaysia Sdn. Bhd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	1 First Avenue, Banda Utama, level 12, Bandar Utama, PJU 6, 47800 Petaling Jaya, Selangor	Givaudan Business Solutions Asia Pacific Sdn Bhd <sup>2</sup>			<input checked="" type="checkbox"/>	
	Suite 733, Block B2, Level 7, Leisure Commerce Square 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor	Fragrance Oils (Malaysia) Sdn Bhd				
	PLO 221, Jalan Bakau 6, PLO 221, Jalan Bakau 6, 81700 Pasir Gudang, Johor Bahru, Johor	DDW, The Color House		<input checked="" type="checkbox"/>		
Mexico	Av. Eje Norte-Sur No. 11 Civac, 62578 Jiutepec Morelos	Givaudan de México SA de CV		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Lago Alberto 319, Piso 12, Col. Granada, 11520 Del. M. Hidalgo, Ciudad de México	Givaudan de México SA de CV			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Givaudan de México SA de CV, Camino a Quintanares Km. 1.5, Pedro Escobedo, 76700 Queretaro	Givaudan de México SA de CV		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Av. San Jerónimo 369 P-9, Tizapán San Ángel, 01090 Álvaro Obregón, CDMX	Givaudan de México SA de CV			<input checked="" type="checkbox"/>	
	Corredor Industrial Quetzalcoatl, No. 6, San Baltazar Temascalac, 74126 Puebla	Oxiqumica, Sapi de CV		<input checked="" type="checkbox"/>		
	Carr. Costera del Pacifico Km. 63, Villa de Tututepec de Melchor Ocampo, 71803 Tututepec, Oaxaca	Ungerer Mexico S. de R. L. de C.V.		<input checked="" type="checkbox"/>		
Morocco	8 rue Ibnou Binna Aladdadi, Bourgogne, 20053 Casablanca	Givaudan MEA FZE Morocco Branch			<input checked="" type="checkbox"/>	
	Technopole ONDA – BP 42 – 20240 Nouasser – Casablanca	Naturex Maroc SA		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Myanmar	46A – 2C Excellent Condo, Pantra Street, Dagon Township, Yangon	Givaudan Singapore Pte Ltd (Myanmar Branch)			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Netherlands	Huizerstraatweg 28, 1411 GP Naarden	Givaudan Nederland B.V.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Nijverheidsweg 60, 3771 ME Barneveld	Givaudan Nederland B.V.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Nizolaan 4, 6718 ZC Ede	Vika B.V.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
New Zealand	Level 1, The Lane, Botany Town Center, Te Irirangi Drive, Botany 2010	Givaudan NZ Ltd			<input checked="" type="checkbox"/>	
Nigeria	Plot 2 and 4, Block D, Amuwo Odofin Industrial scheme, Apapa/ Oshodi Expressway, Lagos	Givaudan (Nigeria) Limited			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Suite 4, 7th floor, Nestoil tower, 41-42 Akin Adesola Street, Victoria Island, Lagos	Givaudan (Nigeria) Limited			<input checked="" type="checkbox"/>	
	A2 Billings Way, Oregon, Lagos	Fragrance Oils (West Africa) Limited				
Pakistan	25 <sup>th</sup> floor, Ocean Tower, Block 9, Clifton, Karachi - 75600	Givaudan International SA Pakistan			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Peru	Av. Victor Andrés Belaúnde 147, Centro Empresarial Real, Torre Real 1 Piso 11, San Isidro 27, Lima	Givaudan Peru SAC			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Philippines	37/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City 1605	Givaudan Singapore Pte Ltd, Regional Operating Headquarter			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Poland	Ul. Puławska 182, IO-1 Building, 02-670 Warszawa	Givaudan Polska Sp. z o.o.			<input checked="" type="checkbox"/>	

Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
Russian Federation	Riverside Towers Business Centre, Kosmodamianskaya Naberezhnaya 52/5, 115054 Moscow	Givaudan Rus LLC			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Delovoy dom B-5, floor 9, Botanicheskiy pereulok 5, 129090 Moscow	Givaudan Rus LLC			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Shuhova Str, 14, building 9, Office 201, 115162 Moscow	Naturex LLC				
	Korpus 2, office 201, Dmitriya Ulianova str. 16, 117292 Moscow	drom fragrances GmbH & Co. KG				
Singapore	1 Woodlands Avenue 8, Singapore 738972	Givaudan Singapore Pte Ltd	 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	1 Pioneer Turn, Singapore 627576	Givaudan Singapore Pte Ltd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	19 Chin Bee Road, Singapore 619833	Givaudan Singapore Pte Ltd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	510 Thomson Rd, #04-01 SLF Building, Singapore 198135	Fragrance Oils (Far East) Pte.Ltd				
South Africa	9 – 11 Brunel Road, Tulisa Park, Johannesburg 2197	Givaudan South Africa (Pty) Ltd		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	51A Galaxy Avenue, Linbro Business Park, Frankenwald, Sandton 2065	Givaudan South Africa (Pty) Ltd			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Spain	Pla d'en Batllé s/n, 8470 Sant Celoni, Barcelona	Givaudan Ibérica, SA	 	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Plaça d'Europa 2-4 3ª Planta, Hospitalet de Llobregat, 08902 Barcelona	Givaudan Ibérica, SA			<input checked="" type="checkbox"/>	
	Plaça Europa 9-11; Plta 17, Torre Inbisa, 8908 L'Hospitalet de Llobregat, Barcelona	Expressions Parfumées Iberica				
	Autovía A3, salida 343. Camino de Torrent s/n – 46930 Quart de Poblet	Naturex Iberian Partners, S.L.U		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Carretera Santa Olalla, KM 1; 41240 Almaden de la Plata, Seville	Aromasur SL		<input checked="" type="checkbox"/>		
Sweden	Hyllie Vattenparksgata 12, 215 32 Malmö	Givaudan North Europe AB			<input checked="" type="checkbox"/>	
	Båtafjordsvägen 12, 432 63 Bua	Swedish Oat Fiber AB		<input checked="" type="checkbox"/>		
Switzerland	c/o Python, Baarerstrasse 21, 6300 Zug	Givaudan SA	 			
	Zweigniederlassung Dübendorf 138, Neugutstrasse 46 , 8600 Dübendorf	Givaudan Schweiz AG		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Zweigniederlassung Dübendorf 138, Neugutstrasse 46 , 8600 Dübendorf	Givaudan International AG			<input checked="" type="checkbox"/>	
	Kemptpark 50, 8310 Kemptthal	Givaudan Schweiz AG		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Kemptpark 50, 8310 Kemptthal	Givaudan International AG			<input checked="" type="checkbox"/>	
	Chemin de la Parfumerie 5, 1214 Vernier	Givaudan Suisse SA		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Chemin de la Parfumerie 5, 1214 Vernier	Givaudan International SA			<input checked="" type="checkbox"/>	
	Industriestrasse 8A, 8604 Volketswil	Givaudan Suisse AG		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	Kirchbergstrasse 211, 3400 Burgdorf	Naturex AG		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	Industriestrasse 8, 9220 Bischofszell	Naturex AG		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Taiwan	7/F, no. 303, Hsin Yi Road, Sec 4, Taipei City, Taiwan 106	Givaudan Singapore Pte Ltd, Taiwan Branch			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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1. Locations taken into account for  health & safety performance or  environment, health & safety indicators.

Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
Thailand	719 KPN Tower, floor 16 & 25, Rama 9 Road, Bangkapi Huaykwang, Bangkok 10310	Givaudan (Thailand) Ltd	 			
	25 Bangkok Insurance Building, 23rd Floor, Sathon Tai Road, Kwang Thung Maha Mek, Khet Sathon, Bangkok 10120	Expressions Parfumées				
Turkey	Ebulula Cad. Lale Sok., Park Maya Sitesi Barclay 19A Daire 6 – 7, Akatlar, Besiktas / Istanbul 34335	Givaudan Aroma ve Esans Sanayi ve Ticaret Ltd. Sirketi				
	Büyükdere Cad. Telpa Plaza., no. 195 K.3, Levent, Istanbul 34394	Givaudan Aroma ve Esans Sanayi ve Ticaret Ltd. Sirketi				
	ms. cise osmanoglu, Istanbul	drom fragrances GmbH & Co. KG				
	Edin&Suner Plaza, Meydan sok n°14/2B, 34335 Akatlar Istanbul	Expressions Parfumées, Turkey Liason Office				
UAE	Concord Tower, floor 20 & 36, Media City, Dubai	Givaudan Gulf Trading LLC	 			
	Jafza Views 18, Office NO LB180502, PO Box 33170, Jebel Ali, Dubai	Givaudan Middle East & Africa FZE	 			
	Hamsa-A Bldg, Office 210, Khalid Bin Al Waleed St., Dubai	Expressions Parfumées				
United Kingdom	Magna House, 76 – 80 Church Street, Staines, Middx. TW18 4XR	Givaudan UK Ltd				
	Chippenham Drive, Kingston, Milton Keynes MK10 OAE	Givaudan UK Ltd				
	Kennington Road, Ashford, Kent TN24 0LT	Givaudan UK Ltd	 			
	Eton Hill Industrial Estate, Eton Hill Road, Radcliffe, Greater Manchester M26 2FR	Fragrance Oils (International) Ltd	 			
	Higham Business Park, Bury Close, Higham Ferrers, Rushden NN10 8HQ	Major International Limited				
	Park Road, Overseal, Swadlincote, Derbyshire DE12 6JX	Naturex Ltd				
	Sealand Road, Sealand Industrial Estate, Chester, England CH1 4LP	Ungerer Ltd	 			
	Third Avenue, Centrum 100, Burton Upon Tren, Staffordshire DE14 2WD	DDW, The Color House				
	Guinness Road, Manchester M17 1SD	DDW, The Color House				
	Trafford Park Road, Manchester M17 1PA	DDW, The Color House				
Ukraine	Pimonenko Str. 13 6B/18, 04050 Kiev	Givaudan International SA, Representative Office				

Country	Address	Legal Entity name	Business activity	Production	GRI Scope <sup>1</sup>	Creation & Research
United States of America	580 Tollgate Road, Suite A, Elgin, IL 60123	Givaudan Flavors Corporation			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	1199 Edison Drive 1 – 2, Cincinnati, OH 45216	Givaudan Flavors Corporation			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	245 Merry Lane, East Hanover, NJ 07936	Givaudan Flavors Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	9500 Sam Neace Drive, Florence, KY 41042	Givaudan Flavors Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	4705 U.S. Highway 92 East, Lakeland, FL 33801-3255	Givaudan Flavors Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	100 East 69 <sup>th</sup> Street, Cincinnati, OH 45216	Givaudan Flavors Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	195 Alexandra Way, Carol Stream, IL 60188	Givaudan Flavors Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	256 Lackland Drive East, Middlesex, NJ 08846	Givaudan Flavors Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	5 ConAgra Drive, Omaha, NE 68102	Givaudan Flavors Corporation			<input checked="" type="checkbox"/>	
	895 Dove Street, Newport Beach, CA 92660	Naturex USA California				
	39 Pleasant Street – Sagamore, MA 02561	Naturex DBS				
	375 Huyler Street, South Hackensack, NJ 07606	Naturex Inc.		<input checked="" type="checkbox"/>		
	7400 S Narragansett Ave, Bedford Park, IL 60638	Vegetable Juices Inc		<input checked="" type="checkbox"/>		
	10000 Highway 55, Minneapolis, MN 55441	Vika B.V.				<input checked="" type="checkbox"/>
	International Trade Center, 300 Waterloo Valley Road, Mount Olive, NJ 07828	Givaudan Fragrances Corporation		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
	40 West 57 <sup>th</sup> St. 11 <sup>th</sup> and 17 <sup>th</sup> floors, New York, NY 10019	Givaudan Fragrances Corporation			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	717 Ridgedale Avenue, East Hanover, NJ 07936	Givaudan Fragrances Corporation			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	5 Jacksonville Road, Towaco, NJ 7082	Fine Fragrance Studio - drom fragrances, Inc. USA		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
	144 Duane Street, New York, New York 10013	drom fragrances, Inc. USA				<input checked="" type="checkbox"/>
	110 North Commerce Way, Bethlehem, PA 18017	Ungerer & Company		<input checked="" type="checkbox"/>		
	4 Ungerer Way, Lincoln Park, NJ 07035	Ungerer & Company				
	1901 Payne Street, Louisville, KY 40206	DDW, The Color House		<input checked="" type="checkbox"/>		
	100 South Spring Street, Louisville, KY 40206	DDW, The Color House				
	815 W Sunset Road, Port Washington, WI 53074	DDW, The Color House		<input checked="" type="checkbox"/>		
	53 Veronica Avenue, Somerset, NJ 08873	Custom Essence		<input checked="" type="checkbox"/>		
Vietnam	Léman Luxury Building, 6th Floor, 117 Nguyen Dinh Chieu St., Dist. 3, Ho Chi Minh City	Givaudan Singapore Pte Ltd, Vietnam Representative Office			<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	31 Road No.8, Vietnam-Singapore Industrial Park , Binh Dang Quarter, Binh Hoa Ward , Thuan An Town, Binh Duong Province	Golden Frog Flavour-Fragrance Manufacture Company Ltd		<input checked="" type="checkbox"/>		
	VSIP II-A, Road no 31, Vietnam-Singapore II-A Industrial Zone, Vinh Tan Commune, Tan U yenTown, Binh Duong Province	Golden Frog Flavor-Fragrance Manufacture Corporation - Branch 3				
	Tan Hoa Hamlet , Tan Hoi Dong Commune Chau Thanh District, Tien Giang Province	Branch of Golden Frog Flavor-Fragrance Manufacture Corporation		<input checked="" type="checkbox"/>		



# About this report

Being a sustainable business is our promise, acting as a force for good our goal. Guided by our purpose of 'Creating for happier, healthier lives with love for nature. Let's imagine together.' we will continue to deliver sustainable value creation that benefits all.

This Integrated Annual Report is the primary report for our shareholders. Its scope covers the Company's main business and provides an overview of the financial and non-financial performance for the year ended 31 December 2021. In addition, we prepare a GRI Sustainability Report in accordance with the GRI Standards Core option and externally assured by EY. We also include a TCFD table and a SASB Standards mapping table in our reports.

The index of our GRI and SASB disclosures can also be found as a separate document on [givaudan.com](https://www.givaudan.com) – [online annual report – download centre](#)



Our senior leadership acknowledges our responsibility for ensuring the integrity of our Integrated Annual Report, which we believe addresses all matters that have, or could have, a material effect on our ability to create value. We have applied our collective mind to the preparation and presentation of information in this integrated report, which has been prepared in accordance with the International Integrated Reporting Framework (<IR> Framework).

**Calvin Grieder**  
Chairman

**Gilles Andrier**  
Chief Executive Officer

## Overview of Frameworks applied

- <IR> Framework
- GRI Standards
- SASB Standard
- TCFD Recommendations
- SDGs
- UN Global Compact
- IFRS
- SIX Directive Corporate Governance
- Swiss Code of Best Practice for Corporate Governance
- Alternative performance measures

## Reporting period

The reporting period is for full year 2021 which includes employee numbers and safety data.

Environmental data is from the fourth quarter 2020 to the third quarter 2021.

## Integrated Reporting

Givaudan bases its integrated reporting on the International <IR> framework published by the International Integrated Reporting Council (IIRC, January 2021) and its core concepts. The following table shows where information related to the guiding principles and content elements of the <IR> framework can be found.

Guiding principles	Location / information
Strategic focus and future orientation	pages 10–37
Connectivity of information	Throughout the Integrated Annual Report, especially pages 26–27
Stakeholder relationships	pages 32–36, 2021 GRI Sustainability Report pages 21–23
Materiality	page 37, 2021 GRI Sustainability Report pages 11–13
Conciseness	The Integrated Annual Report outlines the key information for the Company's value creation. Additional details can be found in the complementary reports. The In a Nutshell report summarises the main takeaways from the Integrated Annual Report.
Reliability and completeness	Completeness is sought through the application of a materiality approach. Reliability is granted through internal audits and the external assurance of our financial and non-financial information.
Consistency and comparability	The content of our reporting suite is presented in a consistent and comparable way through clear navigation, multiple year overviews and links and references to relevant pages, documents or online information.
Content elements	
Organisational overview and external environment	pages 1, 6–9, 18–31, 150–151
Governance	pages 123–131; 2021 Governance, Compensation and Financial Report pages 4–21
Business model	pages 26–27
Risks and opportunities	pages 28–31; <a href="http://www.givaudan.com/our-company/corporate-governance/risk-management">www.givaudan.com/our-company/corporate-governance/ risk management</a> 2021 Governance, Compensation and Financial Report pages 57–67
Strategy and resource allocation	pages 18–23
Performance	pages 6–7, 20–25, 40–109
Outlook	pages 15, 18–19, 43, 52, 54, 71, 74–75, 81, 84, 94, 96, 101, 104
Basis of presentation	pages 32–37, 2021 GRI Sustainability Report pages 11–17

### DOWNLOAD

Our 2021 GRI Sustainability Report and 2021 Governance, Compensation and Financial Report at [www.givaudan.com](http://www.givaudan.com) ▶ Investors ▶ Online annual report ▶ **Download centre**

## SASB Standards

The following Sustainability Accounting Standards Board (SASB) Standards mapping table, is especially tailored to the information needs of investors and other capital market players related to sustainability issues. The table maps the relevant metrics pertaining to the SASB Chemicals Standard to our sources of information. The SASB accounting metrics are highly aligned with our GRI reporting.

Topic	Accounting Metric	Code	Location in this report
<b>Greenhouse Gas Emission</b>	<ul style="list-style-type: none"> <li>Gross global scope 1 emissions, percentage covered under emissions-limiting regulations</li> <li>Discussion of long-term and short-term strategy or plan to manage scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets</li> </ul>	RT-CH-110a.1	Pages 71–80
		RT-CH-110a.2	
<b>Air Quality</b>	Air emissions of the following pollutants: (1) NOx (excluding N <sub>2</sub> O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	RT-CH-120a.1	2021 GRI Sustainability Report page 60
<b>Energy Management</b>	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable, (4) total self-generated energy	RT-CH-130a.1	Pages 71, 72 2021 GRI Sustainability Report pages 52–54
<b>Water Management</b>	<ul style="list-style-type: none"> <li>(1) Total water withdrawn, (2) total water consumed, percentage of each in regions with high or extremely high baseline water stress</li> <li>Description of water management risks and discussion of strategies and practices to mitigate those risks</li> </ul>	RT-CH-140a.1	Pages 81–83
		RT-CH-140a.3	
<b>Hazardous Waste Management</b>	Amount of hazardous waste generated, percentage recycled	RT-CH-150a.1	Pages 86, 87 2021 GRI Sustainability Report pages 66, 67
<b>Community Relations</b>	Discussion of engagement processes to manage risks and opportunities associated with community interests	RT-CH-210a.1	Pages 104–109
<b>Workforce Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees</li> <li>Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks</li> </ul>	RT-CH-320a.1	Pages 96–99
		RT-CH-320a.2	
<b>Safety &amp; Environmental Stewardship of Chemicals</b>	Discussion of strategy to (1) manage chemicals of concern and Discussion & analysis (2) develop alternatives with reduced human and/or environmental impact	RT-CH-410b.2	Pages 54–69, 115–119
<b>Activity Metric</b>	<ul style="list-style-type: none"> <li>Production by reportable segment</li> <li>Percentage of production as: (1) paper/wood, (2) glass, (3) metal, and (4) plastic</li> <li>Number of employees</li> </ul>	RT-CH-000.A	<ul style="list-style-type: none"> <li>584,155 tonnes of production</li> <li>For materials see 2021 GRI Sustainability Report page 66</li> <li>14,128 employees (headcount)</li> </ul>
		RT-CP-000.B	
		RT-CP-000.C	

## DOWNLOAD

Our 2021 GRI Sustainability Report at [www.givaudan.com](http://www.givaudan.com) » Investors » Online annual report » [Download centre](#)

## TCFD Recommendations

We have been carefully considering and managing – with increasing scrutiny since the 2015 Paris Agreement – many of the topics addressed by the Task Force on Climate-related Financial Disclosures (TCFD). Through our comprehensive reporting, including our Integrated Annual Report and our GRI Sustainability Report, we are already addressing many of the recommended

disclosures by TCFD. Alignment is also achieved through our yearly submissions of the CDP questionnaire on Climate Change, as shown in the table below.

We are increasing our efforts to further enhance the quality and robustness of our analysis and reporting.

Thematic area	Description	Recommended disclosures	CDP questionnaire references 2021
<b>Governance</b>	Disclose the organisation's governance around climate-related risks and opportunities.	<ul style="list-style-type: none"> <li>a. Describe the board's oversight of climate-related risks and opportunities.</li> <li>b. Management's role in assessing and managing climate related risks and opportunities</li> </ul>	Climate change: C1.1a, C1.1b, C1.2, C1.2a, C1.3a
<b>Strategy</b>	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	<ul style="list-style-type: none"> <li>a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term</li> <li>b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.</li> <li>c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.</li> </ul>	Climate change: C2.1a, C2.2a, C2.3, C2.3a, C2.4, C2.4a, C3.1, C3.1b, C3.1d, C3.1e, C3.1f, C3.2, C3.2a, C3.3, C3.4  Water security: section W4
<b>Risk Management</b>	Disclose how the organisation identifies, assesses, and manages climate-related risks.	<ul style="list-style-type: none"> <li>a. Describe the organisation's processes for identifying and assessing climate-related risks.</li> <li>b. Describe the organisation's processes for managing climate-related risks.</li> <li>c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</li> </ul>	Climate change: C2.1, C2.1a, C2.2, C2.2a  Water security: section W3.3, W3.3a, W3.3b, W3.3c, W3.3d
<b>Metrics and Targets</b>	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	<ul style="list-style-type: none"> <li>a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</li> <li>b. Disclose scope 1, scope 2 and, if appropriate, scope 3 greenhouse gas (GHG) emissions and the related risks.</li> <li>c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.</li> </ul>	Climate change: C2.1a, C2.1b, C2.3a, C2.4a, C4.1, C4.1a, C4.2, C4.2a, C6.1, C6.3, C6.5, C9.1  Water security: section W4.1a, W8

### 📄 DOWNLOAD

Our CDP questionnaires are found on [givaudan.com](https://givaudan.com) ▶ investors ▶ ESG ▶ [CDP report on climate change](#) and [CDP report on water security](#)



## GRI Standards

























Givaudan prepares its sustainability reporting in accordance with the GRI Standards of the Global Reporting Initiative, Core option.
































The most important sustainability information, including information about stakeholder engagement and material topics is integrated in our Annual Report. The complete set and details of our GRI disclosures, the GRI Content Index and the external assurance statement can be found in the 2021 GRI Sustainability Report.

The reporting period for our environmental data is from Q4 2020 to Q3 2021. Our different reports and the website are closely connected and reference between each other. All are published at the same time end of January 2022.

### DOWNLOAD

Our 2021 GRI Sustainability Report at [www.givaudan.com](http://www.givaudan.com) ► Investors ► Online annual report ► [Download centre](#)

Materiality topic	Equivalent GRI topic	Purpose pillar	UNGC Principles	SDGs mapping
<b>Biodiversity</b>	<b>GRI 304:</b> Biodiversity	<b>Nature</b>	<b>Principle 8</b>	  
<b>Climate change</b>	<b>GRI 201 – 2:</b> Financial implications and other risks and opportunities due to climate change <b>GRI 301:</b> Materials <b>GRI 302:</b> Energy <b>GRI 305:</b> Emissions	<b>Nature</b>	<b>Principle 7, 8, 9</b>	  
<b>Consumer health &amp; wellbeing</b>	<b>GRI 416:</b> Customer health and safety	<b>Creations</b>		   
<b>Diversity, inclusion &amp; people development</b>	<b>GRI 102 – 8:</b> Information on employees and other workers <b>GRI 202:</b> Market presence <b>GRI 401:</b> Employment <b>GRI 404:</b> Training and education <b>GRI 405:</b> Diversity and equal opportunity <b>GRI 406:</b> Non-discrimination	<b>People</b>	<b>Principle 6</b>	  
<b>Economic performance</b>	<b>GRI 201:</b> Economic performance	<b>Creations Nature People Communities</b>		  
<b>Employee safety, health &amp; wellbeing</b>	<b>GRI 403:</b> Occupational health and safety	<b>People</b>		 
<b>Governance &amp; business conduct / ethics / transparency</b>	<b>GRI 102 – 11:</b> Precautionary Principle or approach <b>GRI 102 – 16:</b> Values, principles, standards, and norms of behaviour <b>GRI 102 – 17:</b> Mechanisms for advice and concerns about ethics <b>GRI 102 – 18:</b> Governance structure <b>GRI 205:</b> Anti-corruption	<b>Creations Nature People Communities</b>	<b>Principle 10</b>	 
<b>Human rights</b>	<b>GRI 102 – 41:</b> Collective bargaining agreements <b>GRI 402:</b> Labour/management relations <b>GRI 407:</b> Freedom of association and collective bargaining <b>GRI 408:</b> Child labour <b>GRI 409:</b> Forced or compulsory labour <b>GRI 412:</b> Human rights assessment <b>GRI 414:</b> Supplier social assessment	<b>Nature People Communities</b>	<b>Principle 1, 2, 3, 4, 5</b>	   

Materiality topic	Equivalent GRI topic	Purpose pillar	UNGC Principles	SDGs mapping
<b>Innovation capabilities &amp; management</b>		<b>Creations</b>	<b>Principle 8, 9</b>	   
<b>Local community development</b>	<b>GRI 203:</b> Indirect economic impacts <b>GRI 413:</b> Local communities	<b>Communities</b>	<b>Principle 1</b>	   
<b>Product / ingredients environmental &amp; social performance</b>	<b>GRI 301:</b> Materials <b>GRI 302:</b> Energy <b>GRI 305:</b> Emissions <b>GRI 416:</b> Customer health and safety	<b>Creations</b> <b>Nature</b> <b>People</b> <b>Communities</b>	<b>Principle 7, 8, 9</b>	     
<b>Product quality &amp; safety and ingredient disclosure</b>	<b>GRI 416:</b> Customer health and safety <b>GRI 417:</b> Marketing and labelling	<b>Creations</b>		  
<b>Raw materials availability</b>	<b>GRI 301:</b> Materials	<b>Creations</b> <b>Nature</b> <b>Communities</b>		   
<b>Responsible sourcing &amp; traceability</b>	<b>GRI 102 – 9:</b> Supply chain <b>GRI 204:</b> Procurement practices <b>GRI 308:</b> Supplier environmental assessment <b>GRI 407:</b> Freedom of association and collective bargaining <b>GRI 408:</b> Child labour <b>GRI 409:</b> Forced or compulsory labour <b>GRI 412:</b> Human rights assessment <b>GRI 414:</b> Supplier social assessment	<b>Nature</b> <b>Communities</b>	<b>Principle 1, 2, 4, 8, 10</b>	    
<b>Waste management &amp; circular principles</b>	<b>GRI 306:</b> Waste	<b>Nature</b>	<b>Principle 8</b>	
<b>Water stewardship</b>	<b>GRI 303:</b> Water and effluents	<b>Nature</b> <b>Communities</b>	<b>Principle 8</b>	   

## UNGC

Givaudan adheres to the 10 principles of the United Nations Global Compact (UNGC) in its business practices, comprising the four areas of human rights, labour standards, environment and anti-corruption.

Our sustainability reporting sets the basis for our annual Communication on Progress (CoP).

### WE SUPPORT



## Human rights

**Principle 1** Businesses should support and respect the protection of internationally proclaimed human rights

**Principle 2** Make sure that they are not complicit in human rights abuses

## Labour

**Principle 3** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

**Principle 4** The elimination of all forms of forced and compulsory labour

**Principle 5** The effective abolition of child labour

**Principle 6** The elimination of discrimination in respect of employment and occupation

## Environment

**Principle 7** Businesses are asked to support a precautionary approach to environmental challenges

**Principle 8** Undertake initiatives to promote greater environmental responsibility

**Principle 9** Encourage the development and diffusion of environmentally friendly technologies

## Anti-corruption

**Principle 10** Businesses should work against corruption in all its forms, including extortion and bribery

## Our support for the SDGs

### Prioritising to make a difference

Our sustainability approach is driven by our purpose; 'Creating for happier, healthier lives with love for nature. Let's imagine together'. It sits at the heart of our business as we grow together with our customers and strive to be a force for good. The Sustainable Development Goals (SDGs) were designed by the UN to cover a broad range of social and economic development issues by mobilising efforts to end all forms of poverty, fight inequalities and tackle climate change. Through our ambitious purpose and sustainability goals, we actively support the delivery of those SDGs where we believe can make the greatest impact and so focus on 10 of the 17 goals.



### Zero hunger

Givaudan is committed to helping end hunger, achieving food security and improved nutrition, and promoting sustainable agriculture. We believe that through game-changing innovation in food and beverages we can encourage an uptake of healthier dietary choices, contributing to addressing global food challenges. By enabling access to plant-based protein ingredients, for example, our innovations are possible steps towards sustainably nourishing the growing global population. Givaudan relies on thriving local communities to source many natural ingredients and we work closely with our supply chains to encourage better nutrition among local producers.



### Good health and well-being

One of the key ambitions of our purpose is that by 2030, we will double our business through creations that contribute to happier, healthier lives. We are working hard to achieve this. For example, by developing solutions for food and beverage products with less sugar, fat or salt, we enable people to make healthier food choices. Our focus on good health and wellbeing is also supported by our people goals as we strive to improve how we care for our people by 2025

through access for everyone on our sites access to mental and physical health initiatives, tools and training and by striving to reduce our total recordable injury rate by 50%. Through our Responsible Sourcing Policy, we set high standards for health, safety, social and environmental practices for both our Company and our suppliers. Through all of this, we are building a culture in which safety, health and environmental commitments are the personal responsibility of every employee.



### Gender equality

As a leading employer in the industry, with a global staff of around 16,000, including more than 90 nationalities: we reflect the societies and cultures in which we operate by providing opportunities for people of all backgrounds, gender and location. Driven by our purpose, before 2030 we aim to be a more balanced and inclusive company. For example, before 2025, we will be rated among the leading employers for inclusion globally, and before 2030, 50% of our senior leaders will be women. Our policies and programmes keep us on track with these important commitments.



### Clean water and sanitation

Water is an essential element in our operations and supply chain, and is managed within the framework of our Responsible Care Management System. Water stewardship for us means optimising the use of intake water through reuse and efficiency, and ensuring the quality of discharged water through analysis and treatment. In the workplace, we ensure the availability of clean water, sanitation and hygiene. By 2021, we had reduced our water intensity by 31% (vs. 2009). In 2020, we endorsed the UN's CEO Water Mandate. This UN Global Compact initiative brings together business leaders to address global water challenges and in 2021 we were awarded the CDP A rating for our actions on water stewardship.



### Decent work and economic growth

Our 2025 strategy, derived from our purpose of 'creating for happier, healthier lives with love for nature' is our five-year roadmap for how we will deliver sustainable value creation for all our stakeholders. Nurturing a place where our people love to be and grow is an important driver of this strategy. We value our employees and provide them with opportunities for growth and career development through training programmes, and we promote a multi-generational and diverse workforce that operates in an agile and collaborative way. Through our Human Rights Policy, we commit to respect human rights, to act with due diligence to avoid causing or contributing to human rights abuses through our own activities, and to prevent and address human rights abuses that are linked to our operations, products or services around the world.



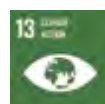
### Industry, innovation and infrastructure

In line with our strategy to deliver profitable growth while having a positive, sustainable impact through our creations on people, nature and communities, our approach to innovation considers the potential impact of our processes and products on the environment. Our research into new solutions utilises green chemistry and opportunities derived from traditional and novel forms of biotransformation, biodegradability and upcycling. We identify novel technologies that can improve our production environment, for example automation or greener processes. We continue investments in high growth markets especially China and India, as well as developing infrastructure in remote areas such as the Amazonian basin in Brazil where, for example, we have a joint venture in a programme to train farmers and cooperative workers in responsible practices for guarana.



### Responsible consumption and production

As our purpose guides us to show our love for nature in everything we do, we have set clear ambitions to help reduce our own environmental impact and that of our products. For example, our goal to become climate positive before 2050 and our bold ambitions on water and waste. As we grow together with our customers, we continue to work towards reducing waste and water consumption across our operations, and we have set stringent science-based targets for absolute greenhouse gas reduction. We innovate responsibly to offer sustainable new solutions based on green chemistry, to provide alternatives to animal testing, and to leverage biotechnical techniques and advanced fermentation methods to create new and existing molecules. Our new Sourcing4Good programme guides us in our approach to sourcing responsibly and is linked to our goal to source all materials and services in a way that protects people and planet by 2030.



### Climate action

Givaudan is working towards an ambition to become climate positive before 2050. This means reducing our absolute scope 1 and 2 GHG emissions by 70% before 2030 and becoming climate positive in our operations by 2040. Our scope 3 GHG emissions will be cut by 20% before 2030 and our supply chain will be climate positive before 2050. Our targets on climate action Givaudan's targets have been approved by the independent Science Based Targets initiative in alignment with the global effort to keep a temperature increase below the two-degree threshold, a key goal of the 2015 Paris Agreement on climate action. We assess every aspect of our activities and those of our suppliers to find opportunities to limit our environmental impact, including our target for 100% renewable electricity by 2025. Our Responsible Sourcing Policy highlights our commitment to removing commodity driven deforestation from our supply chains.





### Life on land

Givaudan is committed to sourcing all materials and services in a way that protects people and the environment by 2030. As an industry leader with 250 years of heritage, we work in partnership with producers and suppliers to transform the way we source and create new value to be shared by all as part of our Sourcing4Good programme. We recognise that we have an important obligation to contribute to preserving the environment and the planet's biodiversity for future generations. Through our Responsible Sourcing Policy we request that suppliers shall comply with all applicable environmental regulations and always aim to reduce their impacts on nature and landscapes. Suppliers must implement environmental management principles which avoid any pollution of air, soils and water and, in parallel, conserve biodiversity and nurture biodiversity.



























### Partnerships for the goals

Collaboration is essential in delivering on our bold ambitions. The more we do together, the quicker we drive sustainable solutions and the faster we meet our targets. Our collaborations with an ecosystem of partners; from UN Global Compact, to the World Business Council for Sustainable Development, to RE100 and The Earthworm Foundation, help to inform and support our work on our most material sustainability issues. We have strategic relationships with suppliers, start-ups and partners allowing for even greater collaboration and co-creation to develop innovative solutions for the future. Examples of this include our Connect to Win programme for supplier enabled innovation, our strategic collaboration to increase opportunities in biotechnology and our co-creation partnerships with many of the prominent players in plant-based proteins that caters to the strong shift towards plant-based meat alternatives and alternative protein sources.

The following table gives an overview of our focus stories presented throughout this report, and indicates the main purpose pillar impacted, the priority stakeholders benefited and which Sustainable Development Goals are most supported.

#### How our key initiatives 2021 positively impact on sustainable development

Focus Story	Page reference	IMPACTS						
		Purpose	Stakeholders benefited	Our contribution to the SDGs				
Food experiences: From product economy to experience economy	62–63	Creations	Customers, innovators and partners	    				
The Givaudan way: Designing nature-conscious fragrances that delight consumers	66–69	Creations	Customers, suppliers	   				
A world of possibilities when our employees 'think climate positive'	78–80	Nature	Local communities	   				
Creating a community with purpose	91–94	People	Employees	 				
Excelling in health and safety everywhere, every day	99	People	Employees					
Supporting local communities with the Givaudan Foundation	107–109	Communities	Local communities	     				
At the forefront of animal-free testing	110–111		Public & regulatory agencies, customers	 				

# Glossary

## 2025 strategy: Committed to Growth, with Purpose

Givaudan's 2025 strategy, announced in 2020, is derived from the Company's purpose, and sets out the roadmap to deliver sustainable value creation over the next five years for all its stakeholders. It outlines Givaudan's intention to deliver growth in partnership with its customers, achieve ambitious financial targets, while also making progress on its longer term purpose ambitions in the areas of creations, nature, people and communities.

## CO<sub>2</sub> equivalent (CO<sub>2</sub>e)

CO<sub>2</sub>e is a unit of measurement that is used to standardise the climate effects of various greenhouse gases. This metric measure is used to compare the emissions from various greenhouse gases on the basis of their global-warming potential, by converting amounts of other gases to the equivalent amount of carbon dioxide with the same global warming potential.

## CDP

Formerly known as Carbon Disclosure Project, CDP possesses the world's most comprehensive collection of environmental data from companies, organisations and governments and evaluates this data systematically for investors.

## Climate positive

Givaudan's commitment to do more than reducing or even eliminating emissions: the Company will also develop initiatives to remove carbon from the atmosphere.

## Communication on Progress (COP)

The UN Global Compact requires participating companies to produce an annual COP that details their work to embed the Ten Principles into their strategies and operations, as well as efforts to support societal priorities.

## Comparable EBITDA

EBITDA is the reported EBITDA, as adjusted for significant items of a non-recurring nature which have an impact on the understanding of the underlying normal operating activities

## Earnings per share

Earnings per share are calculated by dividing the Group result attributable to the shareholders of Givaudan SA by the weighted average of the number of shares outstanding during the reporting period.

## EBITDA\*

Defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

## EcoVadis

EcoVadis aims at improving environmental and social practices of companies by leveraging the influence of global supply chains. EcoVadis' reliable ratings and easy-to-use monitoring tools allow companies to manage risks and drive eco-innovations in their global supply chains.

## Enterprise Risk Management (ERM)

The process of assessing, treating and monitoring the effects of uncertainty that may affect the achievement of Givaudan's objectives, especially its publicly stated strategic objectives, or jeopardise Givaudan's long-term business success.

## Excellence, Innovation, Simplicity in everything we do

Focus area supporting all growth drivers and enablers in the 2025 strategy. It is the Company's commitment to delivering excellence, innovation and simplicity across the value chain, from operational and financial performance to the delivery of a superior customer experience.

## Expand the portfolio

One of the three growth drivers powering the Company's 2025 strategy: Bringing enhanced value proposition to Givaudan's customers while nurturing and building on its core offering. The focus is to leverage the Company's existing capabilities and innovation pipeline and further expanding beyond the current portfolio of flavours and fragrances, naturals and delivery systems into nutrition, food ingredients and beauty.

## Extend customer reach

One of the three growth drivers powering the Company's 2025 strategy: With a more fragmented customer landscape the Company will extend its customer reach in all market segments and geographies and asserting its market leadership position with large international and global customers as well as with the fast growing local and regional customer segment.

**Focussed market strategies**

One of the three growth drivers powering the Company's 2025 strategy is maximising mature market opportunities and extending its high growth market leadership.

**Free Cash Flow (FCF)\***

FCF refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.

**GHG emissions**

Greenhouse gas emissions.

**GHG emissions scope 1**

Direct emissions from sources owned or controlled by Givaudan.

**GHG emissions scope 2**

Energy indirect emissions resulting from the generation of energy that Givaudan purchases, such as electricity.

**GHG emissions scope 3**

Other indirect emissions that relate to the emissions produced by Givaudan's entire value chain.

**Givaudan Business Solutions (GBS)**

Implemented in 2017, GBS is the foundation of Givaudan's commitment to deliver with excellence and is designed to improve internal efficiencies, leverage best practices from across the organisation and increase the Company's agility.

**Global Reporting Initiative (GRI)**

A non-profit organisation that has developed the most widely used frameworks for the creation of sustainability reports.

**GRI Standards**

The latest version of frameworks for sustainability reporting issued by GRI in 2016. Givaudan prepares its sustainability reporting in accordance with the GRI Standards, core option.

**Integrated Reporting**

An integrated report is a concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term. The capitals, or stocks of value, are increased, decreased or transformed by the activities and outputs of an organisation. The Integrated Reporting Framework is proposed by the International Integrated Reporting Council (IIRC). In 2021, the IIRC has merged with the SASB to form the Value Reporting Foundation.

\* Definitions and further information and reconciliations of the Group's Alternative Performance Measures can be found in the Appendix 'Alternative Performance Measures' in Givaudan's 2021 Governance, Compensation and Financial report pages 118-119.

**International Fragrance Association (IFRA)**

IFRA is the global representative body of the fragrance industry. It seeks to represent the collective interests of the industry and promote the safe use of fragrances.

**International Organization of the Flavor Industry (IOFI)**

IOFI is the global association representing the industry that creates, produces and sells flavourings worldwide.

**Leverage ratio\***

Leverage ratio is defined as net debt divided by the sum of net debt and equity.

**Like-for-Like (LFL)\***

LFL is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period.

**Lost Time Injury (LTI)**

LTI refers to the number of accidents on the job involving an absence from the workplace for a minimum of one day.

**Lost Time Injury Rate (LTIR)**

LTIR is the measure of the number of occupational incidents with at least one day of work lost relative to 200,000 hours of work.

**Net debt to EBITDA ratio**

Information and reconciliation of this Alternative Performance Measure can be found in the Appendix 'Alternative Performance Measures' in Givaudan's 2021 Governance, Compensation and Financial report page 119.

**Market capitalisation**

Share price on the reporting date multiplied by the number of shares issued.

**Materiality**

This is a fundamental principle commonly used for defining report content. In the GRI Standards, material topics for a company are those that can significantly influence the assessments and decisions of stakeholders, or have a significant impact on the economy, environment or society. This defines a company's sustainability strategy and therefore its sustainability reporting. In integrated reporting, material topics are those that substantively affect the organisation's ability to create value over the short, medium, or long term. In financial reporting it determines the topics that influence stakeholders' assessments and decisions if omitted or misstated.

### **Ordinance against Excessive Compensation at Listed Stock Companies (OaEC)**

The provisions of this Ordinance apply to joint-stock companies pursuant to Articles 620 – 762 of the Swiss Code of Obligations (OR) whose shares are listed on a stock exchange in Switzerland or abroad. The Ordinance allows companies to specify the amount of additional remuneration that could be paid to any member of executive management who joins after the shareholder resolution on aggregate remuneration.

### **Purpose: Creating for happier, healthier lives with love for nature. Let's imagine together**

Givaudan's purpose announced in 2019 and is the Company's guiding star to drive sustainable long-term performance while leading the way to improve happiness and health for people and nature. It is supported by bold, measurable ambitions in the areas of creations, nature, people and communities.

### **RE100 initiative**

RE100 is a collaborative, global initiative uniting more than 100 influential businesses committed to 100% renewable electricity, working to massively increase demand for – and delivery of – renewable energy.

### **Responsible Sourcing Policy**

The Responsible Sourcing Policy is a code of conduct for Givaudan's suppliers that requires them to adhere to the same high ethical standards. It was launched in 2016 and was the first in the industry.

### **Restricted Share Units (RSUs)**

An RSU offers employees the prospect of acquiring a certain number of shares at a later date, either in return for payment or on preferential terms. RSUs are subject to a vesting clause. Between allocation and vesting, RSUs are therefore considered as entitlements to employee shares. They are subject to one or more conditions precedent during the vesting period and are therefore not irrevocably vested until the vesting date if the conditions are met.

### **Sustainability Accounting Standards Board (SASB)**

SASB Standards are available for 77 industries and guide the disclosure of financially material sustainability information by companies to their investors. In 2021, the SASB organization merged together with the IIRC into the Value Reporting Foundation.

### **Science Based Targets (SBTs)**

The Science Based Targets initiative is a collaboration between CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI), and the World Wide Fund for Nature (WWF), and is one of the We Mean Business Coalition commitments. The initiative enables companies to set targets in line with the 2015 Paris Agreement of limiting global warming to a maximum of 2°C and transitioning to a low-carbon economy.

### **Sedex Members Ethical Trade Audit (SMETA)**

SMETA is an audit methodology that provides a compilation of best practice ethical audit techniques. It is designed to help auditors conduct high quality audits that encompass all aspects of responsible business practice, covering Sedex's four pillars of Labour, Health and Safety, Environment and Business Ethics.

### **Supplier Ethical Data Exchange (Sedex)**

Sedex is a not-for-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. Givaudan engages with Sedex both for the assessment of its production sites and for the assessment of its suppliers.

### **Sustainable Development Goals (SDGs)**

The SDGs are a set of 17 global goals defined by the United Nations in 2016 to replace the Millennium Development Goals (MDGs). The goals comprise several sub-targets and indicators to measure progress and are to be met by 2030. Nations and businesses are called to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity. Swiss Code of Best Practice for Corporate Governance The 'Swiss Code' issued by *economiesuisse* in 2006 provides guidelines and recommendations for good governance in public companies.

### **Task Force on Climate-related Financial Disclosures (TCFD)**

Voluntary reporting recommendations introduced by the Financial Stability Board (FSB) to support the climate goals of the 2015 Paris Agreement. The TCFD seeks to present the specific risks and opportunities of climate change and identify the impact of these risks and opportunities on companies and financial markets.

### **Total recordable injury rate (TRCR)**

Is the total of lost time injuries, restricted work cases and medical treatment cases per 200,000 hours worked.

### **Total shareholder return (TSR)**

Total return of a stock, including change in stock price and shareholder distributions.

### **United Nations Global Compact (UNGC)**

The UNGC is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

### **Value Reporting Foundation**

In 2021, the IIRC and SASB merged together to create the Value Reporting Foundation: a global nonprofit organisation that offers a comprehensive suite of resources designed to help businesses and investors.



# Our reporting suite

The 2021 Integrated Annual Report is the primary report to shareholders offering a holistic explanation of our value creation, financial and non-financial capitals and performance.

The full Governance, Compensation and Financial reports are available in PDF. The GRI Sustainability Report features disclosures on a wide range of topics such as energy use, diversity in the workplace, anti-corruption and human rights. Our website hosts the online Integrated Annual Report. Readers are advised to consult our entire reporting suite to get a complete overview.

**The full suite can be found on:**

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