2023 Report on non-financial matters

In accordance with the Swiss Code of Obligations

Givaudan

Human by nature

About this report

This non-financial report has been established in accordance with Art. 964a et seq. of the Swiss Code of Obligations (CO). It focuses on Givaudan's environmental, social, labour, human rights and anti-bribery performance and is based on the key performance indicators (KPIs) that measure our sustainability performance. The structure and content of the report is based on the legal requirements set out by the CO.

This report was compiled by extracting the required data from Givaudan's 2023 integrated report on economic and ESG performance which was created based on international reporting standards: Value reporting, IFRS, GRI and UNGC. Furthermore, our 2023 integrated report on economic and ESG perormance has received limited assurance from EY. Therefore, the information included in this non-financial report is derived from EY assured figures and text.

The report addresses Givaudan's own risks as well as, where relevant and appropriate, the risks that arise from our business relationships, products, and services.

This report is based on the currently applicable laws of Switzerland. However, the legal landscape of ESG regulation is changing rapidly internationally. Givaudan is closely monitoring the legislative and jurisprudential developments, to continually adapt its governance control systems and business processes.

In line with the financial reporting, the reporting period is 1 January to 31 December. The exception is the environmental data, which covers the 12-month rolling period from 1 October to 30 September.

The scope for financial reporting covers all Givaudan entities and all acquisitions since 2014.

The scope for the social performance indicators is based on headcount, defined as the number of physical people, including internal temporary and regular employees in all Givaudan entities and acquisitions except DDW, Custom Essence, Ungerer, Expressions Parfumées, Fragrance Oils, Albert Vielle, Vika and Alderys[1]. Total Full-Time Equivalent (FTE) employees covers all Givaudan entities and all acquisitions since 2014.

Our safety data covers all production sites and the non-operational sites over 50 employees in all Givaudan entities and all acquisitions since 2014.

The scope for environmental performance indicators (operations and supply chain) covers all production sites at all Givaudan entities and acquisitions except for Fragrance Oils, Custom Essence and Expressions Parfumées[1]. Figures just for the two Scope 3 categories of other Indirect materials & services categories (excluding existing categories) and capital goods do not include data for the acquisitions of Naturex, Vika, drom, Ungerer and DDW[1].

The scope for responsible sourcing performance indicators covers all Givaudan procurement spend, integrated and accounted for through our SAP system. Expressions Parfumées procurement spend is not considered as part of the programme. Procurement spend data does not include DDW and Vika[1].

Integrity and accountability
Our Board of Directors acknowledge responsibilities and have approved and signed off the report with regards to the accountability of the Swiss code of Obligations.

Calvin Grieder, Chairman
Ingrid Deltenre, Vice-Chairman
Victor Balli, Director
Olivier Filliol, Director
Sophie Gasperment, Director
Roberto Guidetti, Director
Tom Knutzen, Director

Calvin Grieder
Chairman Board of Directors

Victor Balli
Chairman Audit Committee

1. Each year we work on intergrating the acquisitions in our scope.

Table of contents

Creating and sharing sustainable value

Givaudan's business model	4
Our double materiality matrix	6
Managing our risks	7

Report on non-financial matters

Environment	**14**
Our environmental ambitions	15
Our roadmap to becoming climate positive	16
Climate change	17
Biodiversity and ecosystems	31
Water security	37
Social	**44**
Our social ambitions	45
Communities	46
Workforce health, safety and wellbeing	49
Diversity, equity and inclusion	58
Stakeholder engagement and key partnerships	62
Human rights	**66**
Human rights and labour conditions	67
Business conduct	**74**
Anti-bribery and anti-corruption	75
Non-financial performance	**77**
Non-financial data	78

Creating and sharing sustainable value

4 Givaudan's business model
6 Our double materiality matrix
7 Managing our risks

Givaudan's business model

As a global leader in taste, wellbeing, fragrance and beauty, we are dedicated to creating for happier, healthier lives and nurturing a love for nature by actively enhancing the human experience.

With our two business activities, Taste & Wellbeing and Fragrance & Beauty, we provide customers with a broad range of solutions that match consumer demands for clean label, organic and natural ingredients. Through collaborative partnerships with our customers, we are committed to delivering exceptional food experiences, crafting inspired fragrances, and developing beauty and wellbeing solutions that elevate both appearance and wellness.

In 2023 we demonstrated our strong focus on supporting the growth of our customers through excellent supply chain performance while at the same time delivering innovating and impactive solutions which are a key part of our 2025 strategy.

Inputs

Financial Capital
Solid foundation 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

Operations 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 value creation

How we operate

- Our customers are at the heart of our strategy
- Innovation and sustainability drive growth and value
- Strongly focused on protecting and supporting our employees
- Our two divisions, Taste & Wellbeing and Fragrance & Beauty, are aligned with the value chain and address customer needs with differentiated solutions and business strategies
- Adressing ESG topics through our purpose and strategy

Re-invest in innovation, employee training, inclusive growth

Returns to shareholders and stakeholders

Finance our operations sustainably

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
Valuing and preserving ecosystems, reducing water and energy consumption, emissions and waste

Operations Capital
New site openings, acquisitions, products produced and sold

Social and relationship Capital
Continued engagement with local communities, regulators and industry bodies

Impacts

Environmental

+ IMPACTS
- Contribute to climate action and resilience
- Contributing to the preservation and restoration of biodiversity
- Conserve resources, avoid unrecycled waste and strengthen circularity
- Increase access to more sustainable products

− IMPACTS
- Emission of CO_2 and other gases that affect the climate
- Potential risk of land-use change
- Water use in water-stressed areas
- Waste directed to disposal

OUR MITIGATION MEASURES
- Climate transition plan
- Assessing our biodiversity risks
- Sustainable energy and water management
- Circularity principles

Social

+ IMPACTS
- Prioritise safety and encourage a culture of care
- Provide attractive jobs, promote diversity
- Pay competitive wages and salaries
- Improve mental and physical health
- Improve livelihoods of farmers, workers and wider communities in areas where we source

− IMPACTS
- Workplace safety and health incidents
- Personal adjustments
- Potential risk of deviation or violation of labour, environmental and social standards

OUR MITIGATION MEASURES
- Inclusive health and safety programmes
- Compliance programme, code of conduct
- Projects to improve environmental and social impact in the supply chains
- Selection and evaluation of suppliers

Economic

+ IMPACTS
- Drive inclusive and economic growth
- Higher incomes and better standards of living
- Offer investors an attractive dividend yield
- Contribute to a fair share of tax contributions where we operate

− IMPACTS
- Slowdown in growth due to the uncertain macroeconomic and geopolitical environment
- Slowdown due to supply chain disruption impacting operations
- Weakening of performance from rising interest rates and foreign currency volatility

OUR MITIGATION MEASURES
- Naturally hedged business (portfolio, geography, customers)
- Systematic cost management
- Programme of continuous improvement
- Automation and leveraging technology
- Strong governance and risk management

Outcomes

Long-term growth for our stakeholders, our business, for society and the planet
- Creations
- Nature
- People
- Communities
- Financial performance

Effective and transparent governance

Our contribution to the United Nations Sustainable Development Goals

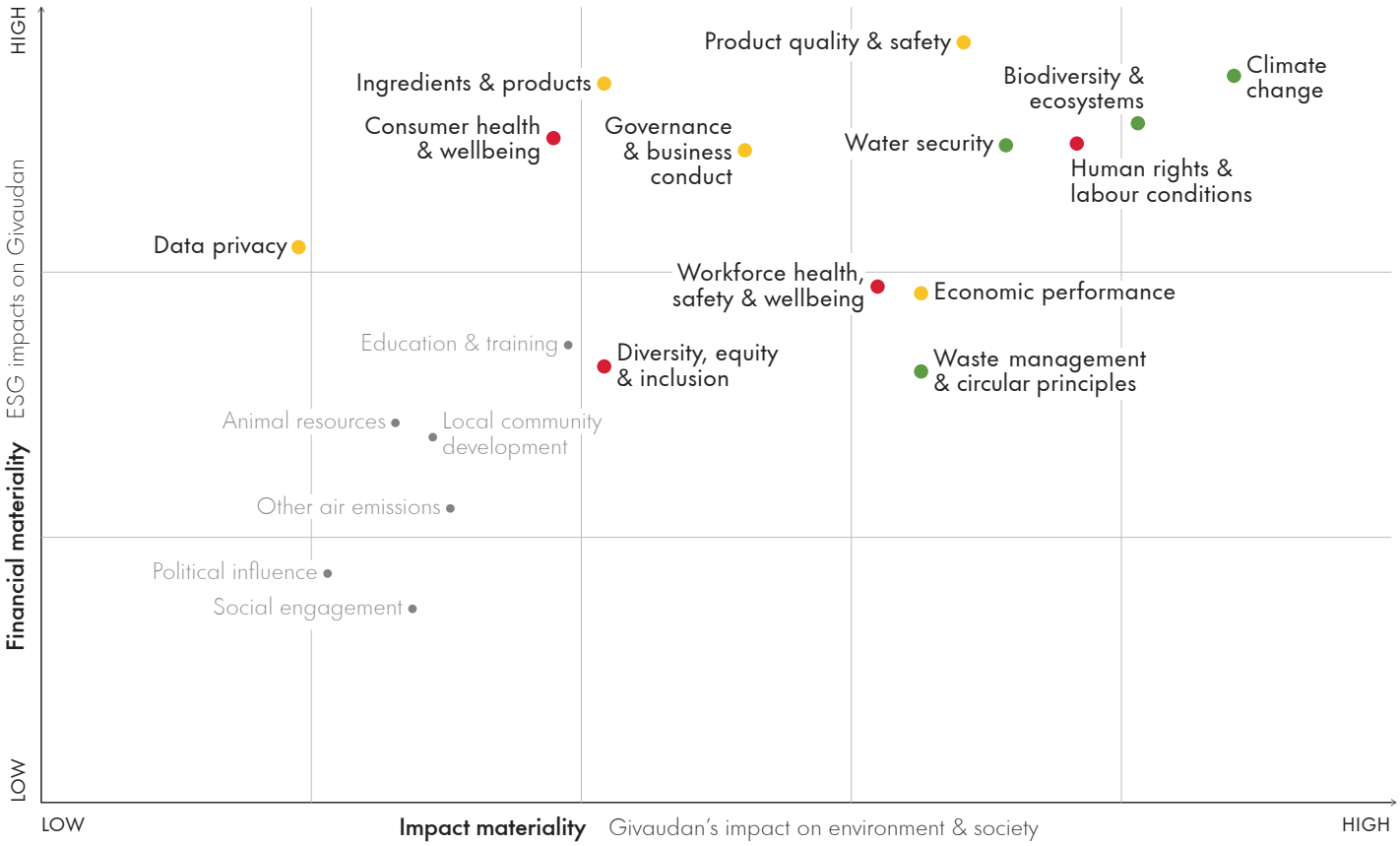
Our double materiality matrix

Givaudan's double materiality assessment overview

In 2023, we introduced our first-ever double materiality assessment, signifying a notable advancement in our reporting, further elevating our commitment to sustainability.

This advanced framework goes beyond the traditional approach, examining not only our impacts on the environment, society, and the economy, but also the risks and opportunities related to sustainability. This comprehensive approach offers an understanding of our ESG impacts and risks, facilitating heightened transparency and accountability. It enables us to focus on critical areas, aligning our business performance with stakeholder expectations and fostering long-term value creation.

Our assessment addresses financial performance, but also reflects our commitment to sustainable development and provides essential insights into pertinent topics for various stakeholder group[1].



Our material topics identified by:
● Environment ● Social ● Governance

1. With regards to the reporting on non-financial matters according to the Swiss Code of Obligations, the impact on air pollution and human health & safety in relation to the environment are not deemed to be material and thus not treated as separate topics. Related topics and indicators that are material are water security, consumer health & wellbeing, and workforce health & safety.

Managing our risks

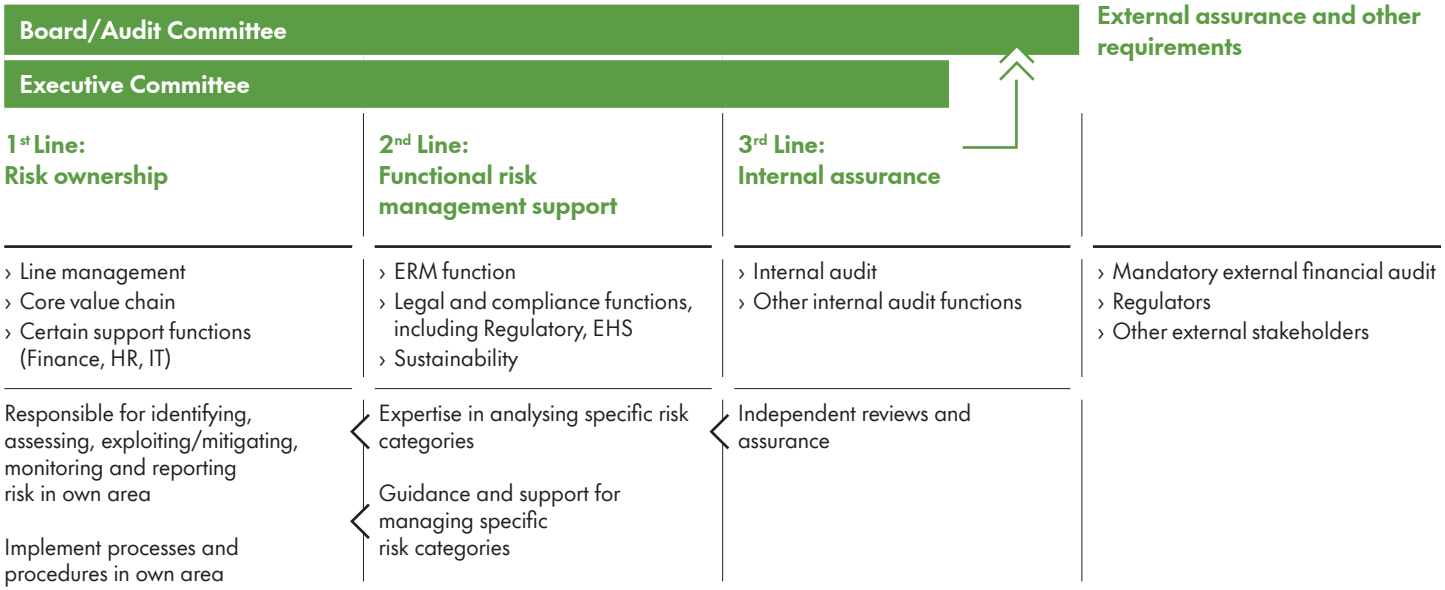
Risk management process

We operate a structured system of identifying, assessing and deciding on responses to mitigate key risks. 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. Givaudan's overall ERM system is based on ISO 31000:2018. ERM applies across the business, reviewing different types of risks in terms of their nature, their root causes/drivers and their consequences. As part of this process, ERM reviews climate change and other sustainability-related risks and opportunities.

Givaudan's ERM contributes to:

- safeguarding Company value and assets and protecting shareholder interests
- exploiting strategic opportunities to further create Company value
- improving awareness amongst all key internal stakeholders of the nature and magnitude of the Company's risks
- providing risk-based management information for effective decision-making
- improving compliance with good corporate governance guidelines and practices as well as applicable laws and regulations.

Givaudan's Enterprise Risk Management



Risk Management organisation and responsibilities

The Board of Directors (Board) is responsible for defining and approving the ERM approach. They establish the fundamental prerequisites and procedures, along with the structure of the risk management system.

Givaudan's Executive Committee (EC) is responsible for the overall risk management process and is accountable for ensuring risks are appropriately and adequately identified, analysed and managed. They have instituted an ERM procedure to lay down the governance for risk management throughout the Givaudan group, defining the roles and responsibilities of the various participants in the risk management process and the risk ownership and resulting responsibilities for mitigation and monitoring within the divisions and central functions.

The EC ensures the alignment of the ERM and strategy-setting processes and defines

acceptable variation in performance relating to strategy and business objectives. It leads, on an annual basis, the performance of an overall update of the group-wide risk assessment. This serves to either reconfirm the existing top risks or to identify further risks that require a specific focus. It enables us to incorporate the potential impact of significant changes in the business landscape, company, or divisional strategies.

Additional work is carried out within the divisions and central functions on the basis of the group-wide risk assessment to cascade the risk management process further down into the organisation. The ERM function under the Head of ERM is responsible for the execution of the ERM programme. It proposes the necessary policies and procedures for the management of the programme to the EC. The ERM function also facilitates and coordinates the annual update of the group-wide risk assessment and prepares the risk report to the Board on behalf of the EC.

Risks are categorised into 'top risks' and other risks depending on their impact and likelihood.

For each top Company risk, a member of the EC is designated as the risk owner. The top risk owner is responsible for the design and implementation of risk response measures for the top risk(s) assigned to him or her, taking a multi-disciplinary view and recognising interdependencies where necessary. Where possible, the top risk owner embeds specific risk analyses and additional risk management measures into existing initiatives and/or in key decision-making processes (e.g., strategic monitoring, financial planning, acquisitions or investments).

All risks that are below the level of top risks are clustered by subject matter area and an EC member is designated as risk cluster owner for one or more clusters. The risk cluster owner is responsible for the oversight over the risks in his or her assigned cluster(s); this includes assigning risk owners for the risks in his or her cluster(s) and monitoring the risk evolution and implementation of risk response measures. The designated owner of a risk that is part of a risk cluster is responsible for the design and implementation of risk response measures for the risk(s) assigned to him or her.

In relation specifically to climate risk, the Presidents of Taste & Wellbeing and Fragrance & Beauty are responsible for assessing and managing the consequences of climate-related issues as they affect the two divisions. This includes issues of operational continuity, supply chain and customer expectations. The financial risks are managed by the corporate finance department.

Risk assessment

Risks are assessed at different frequencies depending on their nature and the term of their impact, but at least once a year.

At the beginning of each five-year strategy cycle, Givaudan conducts a 'zero-based' holistic risk assessment to identify the strategic risks that could prevent Givaudan from achieving its stated strategy. The last such holistic risk assessment was conducted in 2020 in connection with the 2025 strategy and the outcomes were reported to the Board in early 2021.

The strategic risk assessment is conducted by the Head of ERM with senior executives from both divisions as well as all central functions. It contains primary and emerging risks in connection with the strategy cycle. In the assessment process, both internal and external inputs are considered, including inputs from stakeholder engagement activities. The process is conducted in three steps, starting with one-on-one interviews with about 40 internal stakeholders. These stakeholders include the Internal Audit function and their inputs from internal audit results, the Finance function for financial input, the various compliance functions (Ethics & Compliance, EHS, Regulatory and others) for input from results of compliance activities as well as the Sustainability function and their input related to environmental and social aspects.

The one-on-one interview process is followed by validation against external input as well as internal validation. The third step is the validation with the EC. The resulting risk universe is presented to the Board. The validated risk universe forms part of the input into the Internal Audit process.

In addition to the strategic risk assessment, Givaudan carries out a number of other risk assessment processes at different frequencies.

Main risk clusters

Givaudan divides the criticality of its risks into 'top risks' and other risks. The risks are assessed for their long-term (over 10 years) impact, for their short-term (0–5 years) and their medium-term (5–10 years) impacts.

The top risks related to our non-financial reporting are listed below.

Risk	Definition	Time horizon	Criticality	Impact on value creation	Mitigation Measures
Emerging regulations; Carbon-pricing mechanism	Climate-related regulations are increasing worldwide by quantity and location. With our operations located in over 27 countries, the risk of exposure to emerging regulation is high. Givaudan is exposed to climate-related regulations that place a price on GHG emissions generated by our production sites by the use of fossil-fuel-sourced electricity and fuels.	short-term	+	Any change in climate-change regulations (in particular through imposing mandatory GHG reductions) may have an economic impact such as increased cost of operation (e.g., for additional taxes on fuel, energy or carbon emissions) or increased cost of raw materials passed on by suppliers to Givaudan.	› We reduce our dependence on fossil-based energy supply. › We engage in energy-efficiency projects and procurement practices in renewable electricity. › We build up climate positive botanical supply chains models thanks to regenerative agriculture approach.
Changing temperature	Changes in weather patterns and increasing temperatures affect ecosystems and drive changes in biodiversity. We already see raw material supply chains becoming more volatile, uncertain and complex. Likely consequences include disruption in the supply of the raw materials; volatility of raw material prices; and increased demand for Naturals.	long-term	++	Most of the natural ingredients sourced by Givaudan are not commodities, but specialities produced in small volumes. We have seen a significant increase of supply risk on iconic products such as vanilla, spices and florals portfolios. The potential financial impact is an increase in costs and a potential loss of revenue. This may negatively impact our ability to produce at competitive prices and in a timely manner, putting Givaudan at risk.	› We have developed a business continuity plan for sourcing. › Raw materials sourcing is integrated into the category management process. › We have established a structured risk-mitigation strategy to anticipate raw material supply issues and supplier deficiencies. › We deploy ad hoc regenerative farming practices at scale (incl. agroforestry) on cultivated strategic botanicals, allowing for more resilience to extreme weather conditions.

continued on page 10

continued from page 9

Risk	Definition	Time horizon	Criticality	Impact on value creation	Mitigation Measures
Drought	Declining water quality, long-lasting droughts and increased water stress are all elements identified as material water risks faced by some of our operations and supply chains. Water scarcity will increase in frequency.	long-term	++	Changes in precipitation could adversely impact our operations and may negatively impact our ability to produce at competitive prices and on time, which might decrease revenue. We have already experienced episodes of water supply disruption at our sites in Jaguaré, Brazil and Jigani, India. Disruption in the supply of the raw materials due to water-scarcity level and water stress increase in some regions. It has been identified as a major risk to the business and is reflected in the annual financial planning, since raw material prices impact our profitability margins.	› Water efficiency projects are in place to reduce our water consumption and how we manage effluent discharge. › Regular assessments of potential risks and back-up plans. We have set up additional water supply systems for a transitional period of time. › We mitigate water risk and improve water quality management aspects in our supply chain and in our communities. › We deploy ad hoc regenerative farming practices at scale (incl. cover cropping) on cultivated strategic botanicals, improving water retention capacity in soils. › We complement our wild botanical supply with domestication and cultivation programmes.
Sustainable sourcing	Risk of failing to understand demand and have sustainably sourced, biodegradable, traceable and renewable ingredients as demanded by customers.	medium-term	+	Failing to optimise our impact carries a number of risks: reduced availability of resources would lead to cost increases and a loss of profitability; failing to provide customers with the sustainably sourced, biodegradable, non-fossil based, traceable and renewable ingredients they demand could cause them to turn to competitors, resulting in a loss of business. Failure to source sustainably can also result in damage to our reputation.	› We have implemented programmes for sustainable sourcing and are monitoring their performance. These include our Responsible Sourcing policy and our Sourcing4Good programme.

continued on page 11

continued from page 10

Risk	Definition	Time horizon	Criticality	Impact on value creation	Mitigation Measures
Human rights	Risk that Givaudan, in the course of its business, uses or tolerates exploitative practices that violate human rights at our own operations or in our supply chain.	medium-term	+	Human rights violations by Givaudan or in our supply chain can have a wide impact on the world around us. It may result in severe reputational damage, loss of stakeholder relationship and financial penalties. Neglecting human rights in our supply chains may lead to damage/harm to the communities from which we source.	› We have implemented a Group-wide human rights policy and programme. › We have introduced human rights assessments and measures to identify and engage with vulnerable or marginalised groups. › We are active members of Sedex. › We have established leading ethical and social practices at our sites and in our supply chain. › We are committed to the International Bill of Human Rights, ILO's Declaration on the Fundamental Principles and Rights at Work, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. › We respect and promote human rights in our operations and value chain, in line with the UNGP on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.
Child labour	Risk that Givaudan, in the course of its business, uses or tolerates child labour at our own operations or in our supply chain	medium-term	+	Violations related to child labour, whether committed by Givaudan or within our supply chain, can exert a profound influence on society. Such transgressions may culminate in significant reputational harm, strained stakeholder relations, and financial repercussions. Neglecting child labour in our supply chain has the potential to inflict damage upon the communities from which we source by harming children's health and wellbeing, hindering their education, development and future livelihood.	› We follow relevant ILO Conventions related to minimum age and the worst forms of child labour (C138 and C182) and align our due diligence process and related programmes to the OECD Due Diligence Guidance for Responsible Business Conduct and the UNGPs on Business and Human Rights. In line with ETI's Base Code Principles, we do not condone recruitment of child labour.
Diversity, Equity and Inclusion	We may not sufficiently cater to and include diverse talent, including women, people from high growth markets and new talents required for new areas of the business.	medium-term	+	If we are not sufficiently diverse, equitable and inclusive, our reputation as a great place to work may suffer and we may be unable to attract or retain scarce talent.	› Our HR function has a number of processes and programmes in place to ensure DE&I. › We have embedded diversity targets into our strategy and into the objectives for the long-term remuneration for our top management. Performance against these targets is reviewed, audited and published annually.

continued on page 12

continued from page 11

Risk	Definition	Time horizon	Criticality	Impact on value creation	Mitigation Measures
Environment, Health & Safety and operational risk management	There is a risk if Givaudan operates in a way that is harmful to people, the environment and/or causes community nuisance (e.g., odour emissions, wastewater).	short-term	+	This could result in fines, reputational impact or even the loss of the Company's licence to operate a given site.	› 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 on projects to support the design of all new building activities. › We find and install new technologies for environmental protection in the area of odour emissions control.
Product recall because of quality / product safety	There is a risk of a faulty product or one that is not compliant with regulations or is non-performing (whether or not it causes consumer health issues).	short-term	++	Such a risk could expose Givaudan to product recall, consumer health issues, customer complaints, warranty claims, returns and re-runs, product liability claims or litigation, which could in turn lead to loss of revenues, market share and business reputation.	› We systematically evaluate all ingredients for both human and environmental safety prior to their inclusion in our palette of raw materials. › Our global IT systems oversee product formulations, ensuring that raw materials are used as intended in our global production processes.
Unethical behaviour/ Reputation Risk	There is a risk that representatives of the Company, especially key individuals within the organisation (Board members, Executive Committee members, senior management), display or tolerate unethical or illegal behaviour in an environment that increasingly scrutinises corporate behaviour, holding it to ever higher ethical standards.	short-term	++	Any unethical behaviour could lead to material reputational and/or financial damage for Givaudan.	› We have put in place a compliance programme that comprises a number of legal and regulatory compliance functions. › 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 and the business. › We regularly review the functioning of the various compliance functions through Internal Audit. › Givaudan has internal and external whistle-blowing lines in place.

Report on non-financial matters

14 Environment
44 Social
66 Human rights
74 Business conduct
77 Non-financial performance

Environment

15 Our environmental ambitions
16 Our roadmap to becoming climate positive
17 Climate change
31 Biodiversity and ecosystems
37 Water security

Our environmental ambitions

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

Focus area	Target	Status 2023	Actions and measures	
Emissions	Our operations' carbon emissions (scope 1+2) will be cut by **70% before 2030** and will be **climate positive before 2040** (baseline 2015)	**–43%**	› Setting an internal carbon price › Fixing site environmental targets and assessments › Switching to renewable energy sources	› Signing the UN pledge 'Business Ambition for 1.5°C' › Promoting energy efficiency
	Our supply chain emissions (scope 3) will be cut by **20% before 2030** and will be **climate positive before 2050** (baseline 2015)	**–8%**	› Sourcing ingredients responsibly › Developing low-carbon creations › Driving circularity and upcycling	› Optimising packaging, logistics, transport of goods, business travel and employee commuting › Supplier engagement
Electricity	**100%** of our entire electricity supply to be converted to fully renewable sources **by 2025**	**94%**	› Committing to RE100 since 2015 › Setting site renewable electricity targets	› Generating on-site renewable electricity

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

Focus area	Target	Status 2023	Actions and measures	
Water	Improve water efficiency by a **25%** water withdrawal rate reduction on sites facing water stress **by 2030** (baseline 2020)	**–18%**	› Assess opportunities and implement projects to reduce our water withdrawal › Apply water circularity principles in and around our production sites	› Implement new technologies to reuse and recycle water in our operations › Carrying out water risk assessments › Driving continuous improvement using the 3R approach: 'reduce, reuse and recycle'
	We will continuously improve water efficiency on all other sites by a water withdrawal rate reduction	**–3%**		
	100% of our wastewater discharge will meet or exceed regulatory and industry standards **by 2030**	**80%**	› Implementing our wastewater standard	› Tracking site water quantity and quality

Our roadmap to becoming climate positive

Our actions to reach our ambitions

Our supply chain (scope 3)

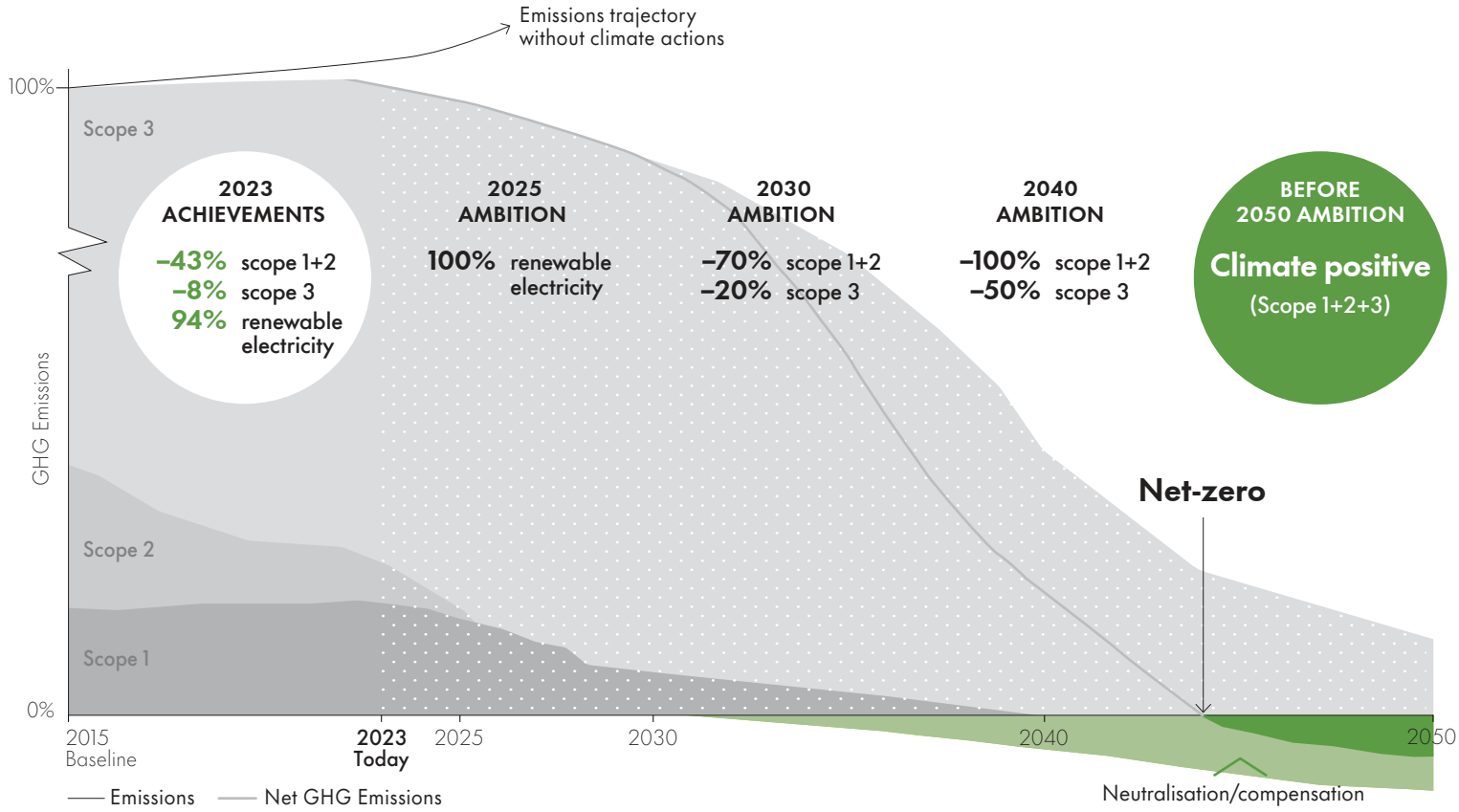
- Sustainable procurement of ingredients
- Low-carbon creations
- Driving circularity and upcycling
- Optimising packaging, logistics and transport of goods
- Optimising business travel and employee commuting

Our operations (scope 1+2)

- Energy efficiency
- Renewable energy sources

Neutralisation/compensation

- Natural Climate Solutions (NCS)
- Carbon Capture, Storage and Removal technology (CCSR)



BUSINESS AMBITION FOR 1.5°C

ENABLERS TO REACH OUR AMBITIONS

- Supplier engagement
- Innovation
- Budget and financial mechanisms
- Advocacy and promotion
- Partnership and governance
- Model enhancement

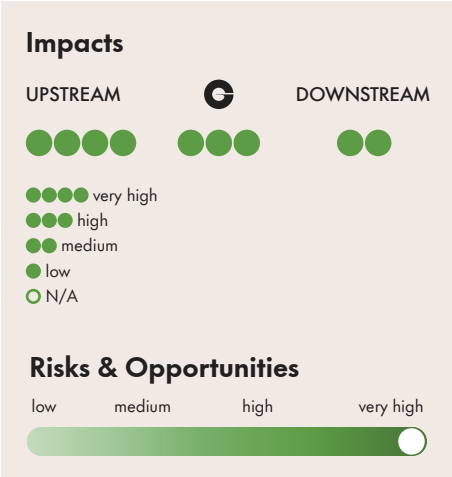
Illustrative representation

Climate change

Subtopics Greenhouse gas emissions (scope 1+2+3) / Non-renewable energy and material sources / Renewable electricity / Climate action and adaptation / Land use

Explanation of the material topic

Climate change, which refers to enduring alterations in global temperatures and weather stability patterns, is negatively impacting people, business operations and economies around the world. The direct consequences of man-made climate change include rising temperatures and sea levels, higher ocean temperatures, an increase in heavy precipitation and floods, a decrease in precipitation, shrinking glaciers and thawing permafrost. Indirect consequences are wide-ranging, spanning from an increase in hunger, water scarcity, poverty and political unrest, to loss of biodiversity. The material topic climate change addresses our approach to these challenges.



DON'T MISS
Our roadmap to becoming climate positive › p16

Climate change is linked to GHG emissions, including those of carbon dioxide and methane, resulting from human and industrial activities. Companies and their value chains contribute to climate change through GHG emissions and are at the same time exposed to its subsequent impact – adaptation is thus required. Companies can mitigate the amplitude of climate change by reducing GHG emissions across their value chain through science-based climate action.

A distinction is made between different scopes, as defined by the GHG Protocol Corporate Standard, which classifies a company's emissions into three types. Scope 1 emissions are direct emissions from sources we own or control, including, for instance, fuel combustion in our factories. Scope 2 emissions are indirect emissions related to the use of purchased energy such as electricity or steam. Scope 3 emissions are all indirect emissions that occur in our value chain.

As the latest climate science says that temperature increase must not exceed 1.5°C compared to pre-industrial levels if we are to avoid the most catastrophic effects of climate change, there is limited time for action and the private sector has a crucial role to play.

We have a negative impact on climate change as a company, through the generation of GHG emissions coming from energy use. The impact of climate change is high both because it is a global issue and because it is hardly reversible. Our upstream activities represent 92% of value chain emissions, while scope 1 emissions represent 4%. Climate change risk is linked to our dependence on a multitude of input materials that are sensitive to climate change and to the possibility of rising costs of compliance with carbon emissions regulations.

We also have operations in countries likely to be heavily affected by climate change and there is a risk that natural phenomena such as flooding, snow, tornados, hurricanes, etc., lead to safety incidents, loss of production facilities or the impossibility of delivering to customers. Climate change therefore poses significant risks to our operations and supply chain. At the same time, the cost savings that may come from reducing emissions, increasing energy efficiency or producing renewable energy represents an opportunity, as does the possibility of delivering the reduced carbon footprint ingredients increasingly demanded by customers.

Management of the impacts

As a purpose-led Company, we have committed to becoming climate positive – removing more greenhouse gases from the atmosphere than we put in – before 2050. To reach our goal, we commit to cutting GHG emissions from our operations (scope 1+2) by 70% between 2015 and 2030, and aim to achieve our RE100 commitment to convert our entire electricity supply to fully renewable sources by 2025. The Science Based

Targets initiative (SBTi) has approved Givaudan's scope 1+2 GHG reduction target as being in line with 1.5°C. For our value chain emission target (scope 3), we are aiming for a reduction of 20% over the same period, which also meets the SBTi criteria.

> *We are recognised for our global leadership in climate action with our CDP A rating.*

Our efforts support UN Sustainable Development Goal 13 on climate action and we have signed the UN Pledge Business Ambition for 1.5°C, which was proposed by the United Nations to aim for net zero value chain emissions by 2050. Our engagement means we commit to having net zero targets in line with the new SBTi net zero standard, introduced in October 2021 and road tested by companies including Givaudan. We are working on aligning our climate-positive commitment to the new standard. We welcome the recent availability of SBTi's Forest, Land and Agriculture Science Based Target Setting Guidance (FLAG) because there is a critical need to define the key steps for getting to net zero in a scientific manner. Because FLAG emissions account for a significant portion of our GHG emissions, we will also set a FLAG target, as requested by the SBTi.

We are now actively working on refining our net zero transition plan, which will give the details of the relevant next steps in our climate journey. Work is underway to ensure that all of our sustainability data is available in digital form and we plan to have Product Carbon Footprint (PCF) capabilities in the near future. We are lowering the carbon footprint of our products through innovative research and development and by supporting the global transition to more sustainable diets with more diverse food choices.

At Givaudan, we understand the importance of reducing our overall emissions and supporting adaptation and actions along our value chain. Our overall roadmap focuses first on reduction and then on balancing remaining/unavoidable emissions with neutralisation or compensation measures. It should be noted that carbon accounting and reporting is still a relatively new field: methodologies and standards are constantly evolving to improve the accuracy and consistency of footprints. We stay at the forefront of this evolution by closely following standards updates and piloting the development of the most relevant ones. In 2022, we piloted the GHG protocol to account for GHG emissions in the land sector.

For scope 1+2 emissions in our operations we are primarily focused on renewable energy sources and increasing energy efficiency to reach our goals. Detailed information is given on pages 19–22. We also pursue a range of activities to help us reach our ambitions for scope 3.

In addition to our work on becoming climate positive, we constantly assess and mitigate the risks posed by climate change and drive adaptation and remediation in our own operations and across our supply chain, from suppliers of raw materials to indirect materials and service providers. We expect all of our suppliers to support our efforts by providing data and information about their carbon footprint when required, and to work to reduce their overall impact over time.

Our various efforts have paid off, with CDP recognising us for our global leadership in climate action with an A rating in 2022. The ratings for 2023 will be published in the first quarter of 2024.

Our operations (scope 1+2)

Scope 1+2 emissions

Scope 1 emissions
Direct emissions from sources that are owned or controlled by Givaudan, e.g. emissions associated with fuels for on-site combustion in boilers and vehicles.

Scope 2 emissions
Indirect emissions from the generation of purchased energy (e.g. electricity and steam). Although scope 2 emissions physically occur at the facility where they are generated, they are accounted for in Givaudan's GHG inventory because they are a result of the company's energy use.

Actions to reach our scope 1+2 ambition

Becoming climate positive requires us to tackle GHG emissions in multiple ways and in every area of our business. We are moving away from fossil fuels and towards renewable energy sources such as solar, wind, hydro, geothermal and biomass. Scope 1 is the biggest contributor to our operations emissions – scope 2 has already been significantly reduced through the purchase of renewable electricity – and curbing it is our main focus for hitting our 2030 milestone.
For scope 1+2 emissions in our operations, we are primarily focused on increasing energy efficiency and transitioning to renewable energy sources to reach our goals. Our scope 1+2 strategy is being carried out in two stages. During the period 2015–2023 we focused on reducing scope 2 emissions (renewable electricity) and identifying opportunities for reducing scope 1. As of 2024–2030 we will concentrate our efforts on reducing scope 1 emissions through CAPEX projects such as energy efficiency and high impact GHG emission reduction projects.
If needed, we will explore the possibility of purchasing biogas certificates for the remaining gap.

Energy efficiency

One focus area for curbing scope 1+2 emissions is energy efficiency through reduction of our energy consumption across locations. This improvement path is well understood and has been onboarded by top management, who have set a bold internal target of reducing the absolute amount of energy in Gigajoule (GJ). We are implementing various projects and programmes to achieve this reduction. Energy site assessments, for example, identify opportunities to improve efficiencies. Other investments and efforts in terms of energy-efficiency plans and targeted projects have also allowed us to make improvements. As an example, our Active Beauty site in Pomacle achieved annual savings of 132 MWh of electricity on its compressed air system. This was made possible by a thorough assessment of leakage points and their subsequent repair through a robust maintenance programme. Similarly, our Fragrance & Beauty site Singapore Fragrance Pioneer achieved 1,093 MWh of annual savings by optimising HVAC systems through the automatic control of parameters such as temperature set points and fan speeds.

Another way of improving energy efficiency is our use of a utilities metering and monitoring platform (ULTIMO). This tool measures and monitors the consumption of utilities in real time, allowing operations to proactively address anomalies and use qualitative data to focus efficiency-improving efforts.

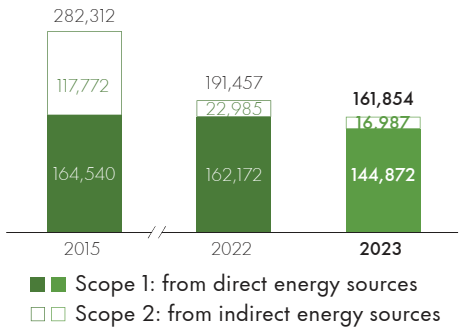
We also look at energy-intensive steps in our processes, for example, cooling and heating needs, and seek opportunities to use alternative technologies to achieve the same performance while reducing our GHG emissions. Solar energy, for instance, offers an efficient way to power industry's heating needs. Our Fragrance & Beauty site in Guangzhou leveraged locally available renewable energy sources and transitioned their conventional electric heater to a solar energy and hot air system to heat their hot water supply. They also replaced their conventional streetlight system with a solar powered system, achieving a total of 23,250 kWh in annual savings.

Renewable energy sources

Innovative sourcing strategies are another important part of reaching our targets. In 2020, we set a new renewable electricity strategy prioritising first on-site generation, then off-site generation and, finally, the purchase of Electricity Attribute Certificates (EACs). Our procurement strategy helps add more renewable electricity to the grid.

DIRECT AND INDIRECT GHG EMISSIONS[1]

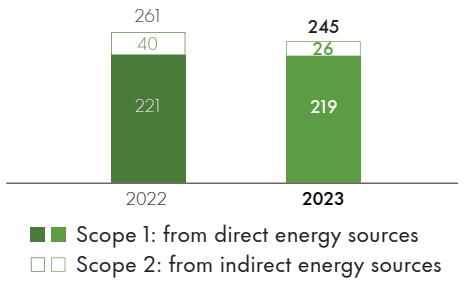
GHG emissions (tonnes)



Compared to baseline year 2015.
Excluding biogenic emissions.

GHG EMISSIONS INTENSITY[2]

GHG emissions (kg) per tonne of product



ENERGY CONSUMPTION AND REDUCTION WITHIN THE ORGANISATION

	2022 (restated in 2023)[1]	2023[2]	Change from 2022 in %
Direct energy: from primary sources (GJ)			
Natural Gas	2,356,761	2,095,912	(11%)
Town Gas	217	204	(6%)
LP Gas	162,014	190,547	18%
Light fuel oil	55,576	66,728	20%
Heavy fuel oil	97,370	62,303	(36%)
Biofuel	39	83	112%
Biogas	154	61	(61%)
Biomass	39,982	47,553	19%
Steam sold from steam produced on site	28,068	24,403	(13%)
Geothermal	6,407	4,643	(28%)
Waste used as energy	121,227	92,831	(23%)
Coal	41	1	(97%)
Electricity self-produced from renewable sources	9,786	9,243	(6%)
Electricity self produced (on-site third party owned)	6,834	6,423	(6%)
Electricity self produced (on-site self-owned)	2,952	2,820	(4%)
Electricity self-produced from non-renewable sources	62,017	65,131	5%
Electricity sold (produced on site)	350	1,756	402%
Solar thermal	580	553	(5%)
Total direct energy	2,883,753	2,609,635	(10%)
Indirect energy: purchased electricity and steam (GJ)			
Electricity purchased	1,290,694	1,190,826	(8%)
Electricity purchased covered by Energy Attribute Certificates	1,130,653	1,118,525	(1%)
Electricity sold (not produced on site)	3,997	4,807	20%
Steam purchased	127,684	137,756	8%
Total indirect energy	1,414,381	1,323,776	(6%)
Total energy	4,298,134	3,933,411	(8%)

ENERGY INTENSITY

	2015 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
Energy intensity (GJ per tonne of product)	6.55	5.86	5.95

“ Through diverse projects and programmes, we actively work toward achieving our ambition to reduce our energy consumption.

1. These values include the assured figures coming from all Givaudan entities and acquisitions (except for Fragrance Oils, Custom Essence and Expressions Parfumées) as well as from restatements.
2. Assured figures including all Givaudan entities and acquisitions except for: Fragrance Oils, Custom Essence and Expressions Parfumées.

30% of the total energy consumption of the production sites, but only 6% of scope 1+2 emissions. We are proud to be a member of RE100, a collaborative, global initiative organised by the Climate Group in partnership with CDP. It unites more than 400 influential businesses committed to 100% renewable electricity and is part of our strategy to fully convert our electricity supply. This year we were recognised with the RE100 Leadership award in the category Enterprising leader, which acknowledges leadership shown by companies embarking on an renewable electricity journey, in 'going above and beyond' in our efforts to achieve targets.

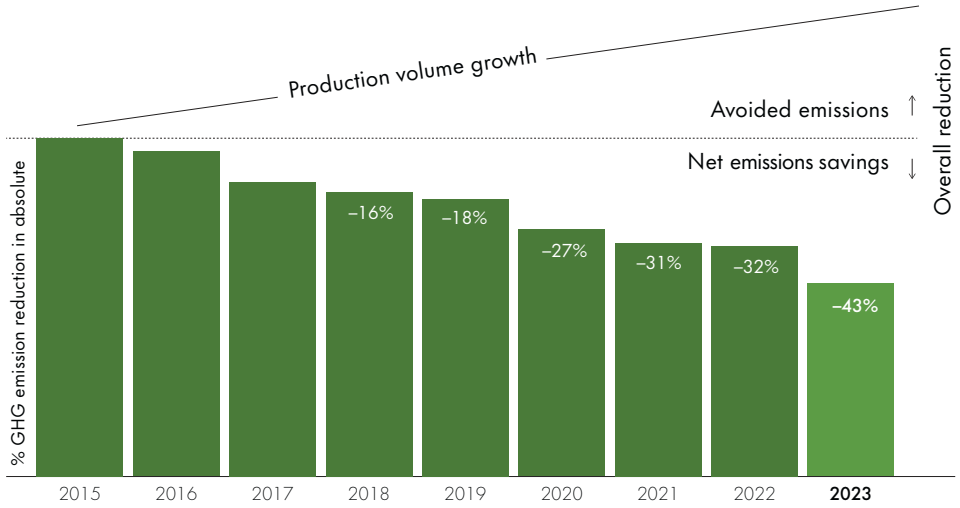
Replacing our fossil-based energy with renewable fuels like biofuels and biomass is also part of the strategy to reduce emissions, particularly those related to the production of heat. Electrification reduces scope 1 emissions by leveraging procurement of renewable electricity and reducing the consumption of fossil fuels. We have explored opportunities in this direction and assessed the potential of using reactors with electrically heated thermal oil jackets.

Progress in 2023

In 2023, we persevered in our work on energy efficiency by implementing a comprehensive utilities best practices programme. We are tracking the implementation and validation of these best practices on a monthly basis, and following up on the implementation and deliverables of energy savings coming from Continuous Improvement and CAPEX projects for all sites. We have also installed the ULTIMO platform, in three additional production sites, bringing the total number of sites equipped with the platform to seven. We will continue to roll ULTIMO out to our major production sites as part of our 2025 strategy and to conduct additional energy site assessments.

We also held GHG reduction workshops for some of the Top Pareto sites in order to identify key blockbuster projects to help us curb scope 1 emissions in the coming years. Some of these projects have been assessed for integration into next year's CAPEX plan.

EVOLUTION OF ABSOLUTE TOTAL SCOPE 1+2 GHG EMISSIONS



Energy

Though we do not have a formal external target in terms of energy intensity – the quantity of energy required per tonne of product – we have recorded a decrease of 9% in this indicator since 2015. At the same time, we have made considerable progress in terms of renewable electricity supply (scope 2 GHG emissions) and are on track to meeting our target and converting our entire electricity supply to fully renewable sources by 2025. We attained 94% renewable electricity supply in 2023 and 74 out of 78, or 95%, of our production sites were powered 100% by electricity from renewable sources by the end of the reporting year. We also reduced the GHG emission load per purchased kWh of electricity by 55% for 2023 vs. 2022.

In 2023, our Linares, Chile site led a project to recuperate wood chippings of Quillay trees from their production process for use in their biomass boiler to produce steam. This use of renewable energy sources led to a 11% decrease in the site's total emissions and a 48% reduction of their product emissions intensity (t CO_2e emitted/kg produced). This effort was recognised by the governmental entity HuellaChile, who granted the site the 'Reducción' and 'Cuantificación' seals.

Scope 1+2 emissions

We made good progress towards our targets in 2023 with absolute total direct (scope 1) and indirect (scope 2) GHG emissions decreasing by 120,453 tonnes since 2015. The evolution of absolute total scope 1+2 GHG emissions in 2023 vs. the 2015 baseline was –43%. Our scope 1+2 GHG emissions intensity (GHG emissions/ tonne of product) decreased by 6% in 2023 vs 2022.

Our supply chain (scope 3)

Scope 3 emissions

Scope 3 emissions are those that come from the value chain activities outside of our operations. Eight of the 15 scope 3 categories defined by the GHG Protocol are relevant for Givaudan. They are:

- Purchased goods and services
- Capital goods
- Fuel- and energy-related activities (outside of scope 1+2)
- Upstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting
- Downstream transportation and distribution

Actions taken to reach our scope 3 ambition

By definition, calculating a scope 3 footprint and tracking improvement is complex because these emissions are under the control of other companies. We must nevertheless calculate a figure and so use models and databases to estimate our scope 3 emissions. Every year, we work to improve these models by refining the underlying data and assumptions, engaging with suppliers and digitalising our internal sustainability data management systems.

Scope 3 is therefore still at the frontier of climate reporting. We actively participate in harmonisation efforts to ease access to more data across our supply chain and to advance our industry's understanding of the topic.

Calculating our scope 3 allows us to identify the hotspots in our supply chain and focus on those that allow us to have the most impact. For raw materials, which account for 86% of our scope 3, we have identified aroma chemicals, commodities and top natural specialities (such as patchouli) in Fragrance & Beauty, and dairy, commodities and large natural commodities (such as citrus) in Taste & Wellbeing. We have accordingly dedicated cross-functional groups to identifying the best decarbonisation levers and actions for these hotspots. GHG emissions have different sources depending on the type of raw materials. In terms of synthetic ingredients, we must consider the energy needed to create them, and whether they are made from fossil feedstock. With natural raw materials, we need to consider land use change, especially deforestation, agricultural practices and livestock farming.

Different decarbonisation levers exist depending on the type of raw materials. Sustainable procurement of ingredients is one focus of reducing our scope 3 emissions, and pursuing low-carbon creations is another important element.

Sustainable procurement of ingredients

Our efforts in the sustainable procurement of ingredients include pursuing a zero-deforestation policy, targeting regenerative agriculture, supporting renewable energy sources in the supply chain and promoting supplier innovation.

We ask our suppliers to commit to the "No Deforestation, No Peat, No Exploitation" (NDPE) principles as part of our Responsible Sourcing policy, supporting us in our aim to source products that are deforestation- and conversion-free. Our involvement in standards such as the

Roundtable on Sustainable Palm Oil (RSPO) helps us to move our supply chain to deforestation-free sourcing.

Regenerative agriculture

We partner with and support local communities through a variety of social and environmental projects, including climate-related projects and working with farmers on regenerative agricultural practices. Our Agronomy team is already piloting regenerative farming models in several Naturals' supply chains and we are working on expanding our approach to other priority supply chains. This regenerative approach is holistic by nature: it brings benefits in terms of GHG reduction, but also generates a positive impact on biodiversity and on the livelihoods of stakeholders.

Low-carbon creations

Low-carbon creations are another approach to lowering our scope 3 emissions. Our Science and Technology and formulation teams consider GHG emission factors in how they design processes and formulations, either by working on new technology for ingredient production (i.e., biotechnologies) or by selecting ingredients that are less carbon-intense by nature. As an example, Givaudan's Fragrance Compaction programme looks at ways to design more highly concentrated fragrances for all product categories. Using higher impact, higher value-added ingredients to deliver fragrance performance allows us to offer an increased value proposition to customers while reducing emissions. Fragrance contribution is divided 34 times from standard design, with a positive impact in every step – from raw materials processing to manufacturing and distribution – where fragrance is involved. Givaudan is well-positioned to take advantage of preferences for low-carbon products because of our responsible sourcing and sustainable innovation initiatives, which include the reuse and recovery of process side streams and waste. As our customers become more environmentally aware, Givaudan has the opportunity to differentiate itself from competition by staying ahead in terms of eco-design and ensuring that our marketing and sales reflect the progress we make in eco-efficiency.

Renewable carbon refers to all carbon sources that avoid or substitute the use of any additional fossil carbon from the geosphere. Plants do this naturally and some technologies are now able to do it as well. By increasing the use of renewable carbon, we drastically reduce GHG emissions from fossil feedstock and limit the increase of CO_2 concentration in the atmosphere. This is well aligned with our journey towards nature-conscious creations.

We employ green chemistry principles in our molecule's design. The atom economy principle, for instance, allows us to focus on efficient carbon use, meaning that all carbon atoms in the bio-based starting material end up in the final product, resulting in zero carbon waste, thus limiting carbon emissions.

Biotechnology also holds enormous potential for carving out a more sustainable future for perfumery and for our planet. At Givaudan, it has already led to some extraordinary innovations. In Taste & Wellbeing, for example, our analytical and processing expertise combined with the application of ManusBio's BioAssemblyLine™ Cell Factory engineering platform resulted in BioNootkatone, a citrus ingredient that addresses market demand for sustainable, natural and clean-label citrus flavours without the cost and supply volatility of traditional citrus extracts. A comparatively lower GHG emission ingredient, BioNootkatone offers a cost-effective, sustainable natural alternative.

Our strengths can also be seen in the development of the best, safest, and most sustainable molecule innovations. For example, in 2023, we introduced RetiLife™, the first sustainable alternative to synthetic retinol with similar anti-wrinkle efficacy. The result of advanced biotechnology developed by our experts, this new anti-ageing active ingredient is the first 100% naturally sourced retinol. Using microorganisms, pure retinol is produced in a natural carrier during a fermentation process from plant sugars and combined with natural antioxidants to ensure its protection, even at a very high concentration. With 100% natural-origin content and sunflower oil as a carrier, RetiLife's™ composition avoids synthetic ingredients such as BHT/BHA or polysorbate and the molecule is identical to its chemical counterpart.

Driving circularity and upcycling

At Givaudan, our approach to upcycling is driven by Circular4Good, a programme to maximise the creative use of unused or unwanted materials and generate positive environmental impact by enabling them to become a feedstock for another cycle. Valorising waste streams in new products in this way is beneficial: it both reduces the carbon footprint of the main feedstock by making its production more efficient, and increases circularity in our supply chain, reducing waste. In designing innovative processes, we also look at how we can reuse and recover process side streams.

We ensure ingredients are safe by design and that our processes make efficient use of energy and materials while reducing water consumption and waste.

We continue to work on building our extensive portfolio of upcycled ingredients, which includes products such as Omegablue®, a cosmetic ingredient created from upcycled wild bilberries, and Koffee'Up, a luxurious active coffee oil produced using advanced upcycling techniques on spent coffee grounds, or coffee waste, from hotels, office and cafés.

Optimising packaging, logistics and transport of goods

Packaging is a focus for many companies, including Givaudan, and we work to reduce its impact on our GHG footprint through several approaches. We plan to introduce more circularity, to use more renewable solutions, to work on making it lighter, to optimise it for transport solutions, and to investigate reusable and recyclable solutions, all while prioritising safety and regulatory considerations.

The subject of packaging must be seen in the broader context of our own operations. In 2023, our continued participation in the WBCSD plastic projects focused on contributions to the Policy and Global Treaty on Plastic Pollution workstream. We have several local initiatives to valorise packaging after it has been cleaned, and this has a direct impact on reducing our footprint and creating additional circular flow.

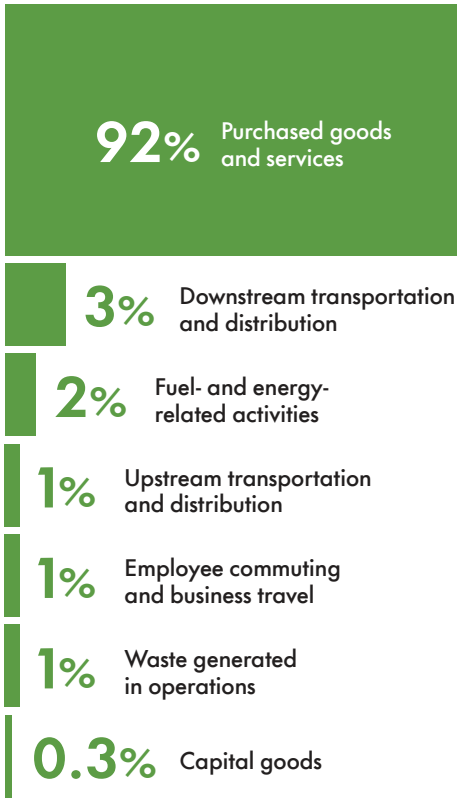
The optimisation of transport is also a complex topic for companies. We explore opportunities in alternative fuels and optimised engines to reduce emissions, evaluating the impact of these initiatives. Currently, we are exploring programmes for implementation in collaboration with our logistics suppliers and digital tools for more precise monitoring of GHG emissions linked to transport.

We are working on optimising the network and switching the maximum possible freight from high-emission (i.e. air) to low-emission (i.e. sea) modes of transport. This will also require a change in our operations processes and in the way we manage customer demands, with the aim of always keeping them highly satisfied.

Along with suppliers, we are searching for measures or programmes to reduce our common emissions. One example is our collaboration with a packaging supplier to find alternatives to conventional plastic jerrycans. The approach involves replacing heavy HDPE plastic jerrycans with a 'bag-in-box' system that features lightweight plastic bags and FSC cardboard boxes, leading to GHG savings.

Another focus in 2023 was on the optimisation of steel drums for Fragrance & Beauty. Aiming to reduce both the weight of the drums and the number of different kinds used across sites, we successfully implemented a number of relevant projects. One example is given by the 216L lacquered steel drums used in our European sites of Baierbrunn, Sant Celoni, Ashford, Chester (Ungerer) & Radclif (Fragrance Oils). Each site used a specific drum with different tare weight and characteristics. We managed to significantly reduce the weight of all the drums and rationalise the number of specifications to only two. This resulted in a benefit of around 1.7kg of steel per drum (–9.6%) on a yearly consumption of around 80,000 units. The climate change impact analysis indicates a yearly saving of 190t CO_2 eq (–9.3%), making it a good contribution to our scope 3 improvements.

OUR SCOPE 3 EMISSIONS



Optimising business travel and employee commuting

Having the right technology and digital collaboration tools in place means that we are able to maintain business productivity and keep travel to a minimum. We are continuing to invest in these capabilities, with our travel management team working on better tools to manage and reduce business travel emissions.

We also foster ideas and propose new commuting solutions directly to employees via our Green Team network. This approach raises awareness and drives new ideas and solutions for local entities. Over the last few years we have been finding ways to encourage everyone to reduce the GHG emissions of their daily commutes. We continue, for instance, to promote coming to work by bike, to facilitate a carpool service internally and to introduce charging stations at some of our sites to support the transition to electric vehicles.

Flexible work arrangement options are also available to many of our employees, allowing them to work from home, thereby contributing to a reduction in emissions by cutting down on employee commuting.

Progress in 2023

In 2023, we witnessed an 8% reduction in our Scope 3 footprint compared to our baseline. A detailed explanation of the progress per category is provided below.

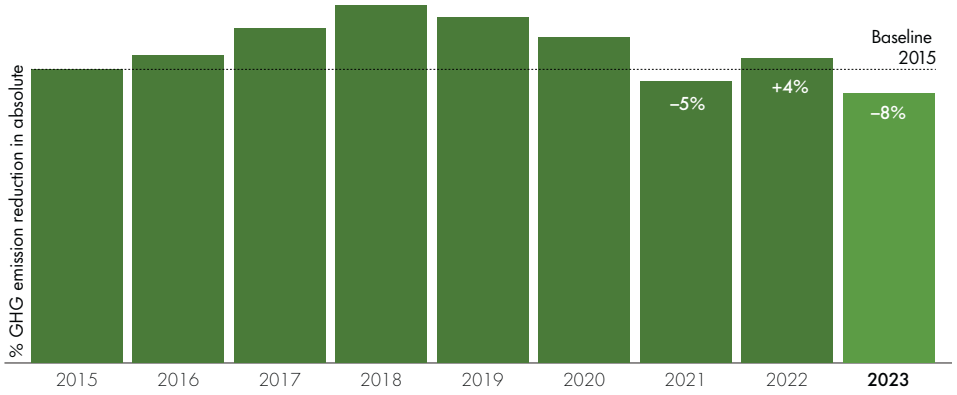
READ MORE
For the calculation methodologies › www.givaudan.com › Investors › Investor publications › Digital Integrated Report › **Download centre**

Purchased goods and services

Over 90% of our scope 3 emissions come from purchased goods and services, making this category significantly pivotal to our climate ambition. These GHG emissions witnessed a decrease of 12% compared to 2022 and of 9% against our baseline. One of the drivers behind this reduction is the decrease in purchased goods. This decline can be attributed, among other things, to weaker demand and a strong focus on inventory management during 2023, leading to a reduction in our purchasing activities.

We are working to better understand the drivers in our supply chain and act on them. We continue engaging internal stakeholders in the scope 3 journey, aligning internal governance and building our roadmap. Raw materials are a prioritised category for carbon emission reduction as they represented about 86% of our scope 3 emissions in 2023.

EVOLUTION OF ABSOLUTE TOTAL SCOPE 3 GHG EMISSIONS



One example is RSPO certification from our palm oil sourcing, which ensures that the sustainability claim at the end of the supply chain is credible. It also includes a beneficial impact on carbon emissions because RSPO-certified palm oil production has a reduced carbon intensity of approximately 36% in $kgCO_2e$ per kg of palm oil. As Givaudan covers part of its supply chain with certified palm oil, it also impacts our scope 3 inventory.

Upstream and downstream transportation and distribution

We increased the total absolute emissions for transport by 32% compared to 2015. An important increase took place between 2020 and 2021, related to the COVID-19 pandemic and the logistics situation, which required the use of carbon-intensive modes of transport to mitigate potential disruption in supply. In 2022 and 2023, the global raw materials supply chain and ocean logistics situation further complicated our ability to act on this topic.

Emissions related to transport continue to increase as Givaudan's business grows. Decoupling this activity is complex and requires important changes in the design of the entire supply chain. The COVID-19 pandemic has also complicated transport activity in general: this was not beneficial to our footprint.

We are assessing ways to reduce our footprint through, for example, consolidation and distribution network design. We are also assessing opportunities to switch modes of transport, but such changes impact the whole value chain and operations strategy. Time and careful assessment are needed to make sure improvements are implemented to last and show long-term reduction. The challenge is to integrate these actions into our scope 3 calculation models.

Other categories (capital goods, upstream energy, commuting, business travels, waste)

Together, these categories account for only 4% of our scope 3 emissions. Their contribution to our 2023 footprint is in line with that of previous years.

Neutralisation/ compensation

Though our climate strategy prioritises the reduction of emissions, we also look to neutralise or compensate residual emissions that cannot be reduced. Carbon removal solutions are an essential element to going beyond net zero and achieving our climate positive target. The journey in front of us is long and the results will take time. This is why we are starting now.

Natural Climate Solutions

Our approach is now focused on Natural Climate Solutions (NCS), which aim at the better management, protection and restoration of ecosystems. They target a reduction of GHG emissions related to land use and changes in land use, the capture and storage of additional CO_2 from the atmosphere and, finally, the improvement of ecosystem resilience, thereby helping communities adapt to increased extreme weather and climatic phenomena, such as flooding and dry spells, associated with climate change.

Insetting, that is, the neutralisation of our emissions through a carbon capture and storage project within our value chain, is highly relevant for Givaudan because we have a direct footprint in natural supply chains located in countries where the environment is under pressure. For us, insetting means nature-based solutions in the supply chains, with the producing communities. It is not the easiest approach because it involves land availability and long-term commitment, traceability and auditing. It is the most credible, relevant approach to Givaudan and in line with our SBTi engagements. It will also benefit our communities. The three most relevant insetting solutions for Givaudan are reforestation, improved plantations (for example, firewood plantation for distillation) and improved agricultural practices.

Carbon Capture, Storage and Removal technology (CCSR)

At Givaudan, we focus on and prioritise emission reductions in our value chain. Neutralising residual emissions at net zero will require us to employ Carbon Capture, Storage and Removal (CCSR) actions and we are assessing these methodologies via participation in the WBCSD CCSR working group. The working group's main deliverable for this year has been the preparation of the carbon removals guide 'Removing carbon responsibly'.

This carbon removal adoption guide for businesses provides guidance on land-based as well as on innovative technological approaches. It supports the evaluation of different methods in order to develop a CCSR strategy in line with company-specific approaches. We plan to develop a portfolio of removals including both land-based and new technological methods.

Enablers

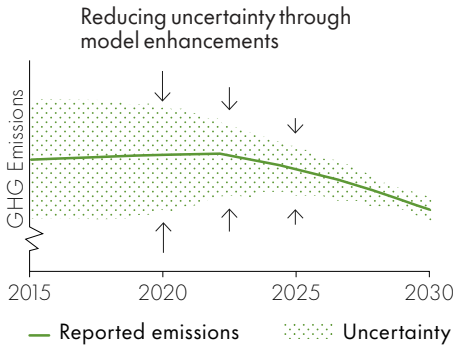
Our efforts to become climate positive also include a number of transversal enablers. They are not linked to a specific annual timeframe but are rather meant to support our climate journey over the next 30 years. The approaches include supplier engagement, innovation, budget and financial mechanisms, advocacy and promotion, model enhancement as well as partnership and governance.

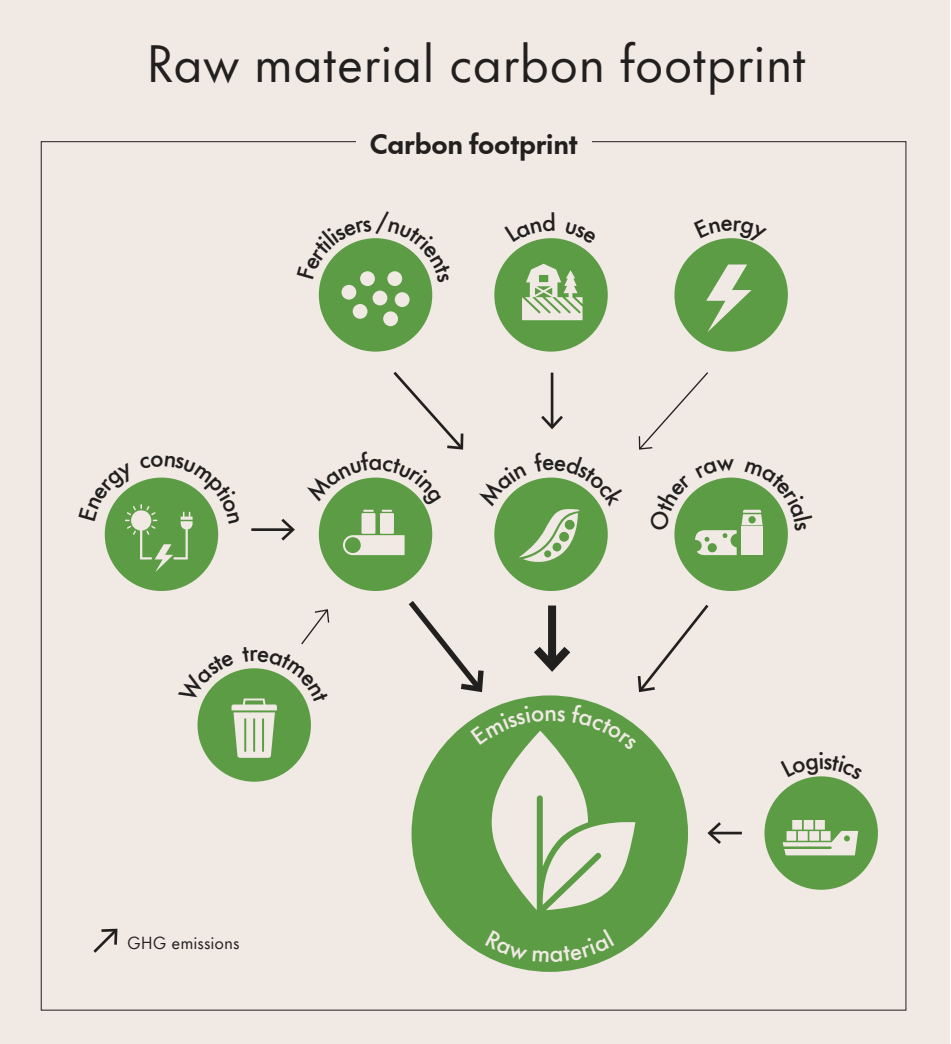
Scope 3 model enhancement

The modelling of scope 3 GHG emissions is an iterative process based on science that is still evolving. We started our efforts in 2017 with our first full scope 3 inventory based on financial activity data (input/output model) using the so-called ESHER model. The model has since gone through several evolutionary steps. We have begun modelling our raw material with a process-based approach that applies the best available proxy data from verified generic databases. We added granularity and accuracy through the inclusion of additional packaging categories and new classes of business travel.

The raw material model remains the focal point of our efforts when it comes to model improvement because this category represents the majority of our scope 3 emissions. The portfolio of ingredients that we purchase is extremely diverse, and we need to understand the GHG emissions of our direct suppliers, but also of all the upstream emissions in the value chain. This data is not readily available, and so we rely on secondary databases (such as EcoInvent or the WFLDB) in order to calculate our footprint. These databases model theoretical emissions of each ingredient by computing the raw materials, the energy consumption, and means of transportation needed in their production (see image Raw material carbon footprint). These models contain an

CONTINUOUS IMPROVEMENT OF SCOPE 3 MODEL





inherent uncertainty that extends into our corporate footprint, but they are nonetheless the best available indication of our ingredients emissions and so remain the standard used across the industry.

In 2023, we made important improvements in our raw material model with increased confidence on monitoring and action tracking; introducing a confidence level indicator, integrating supplier data, and splitting FLAG and non-FLAG emissions.

All modifications allow for a considerable decrease in the uncertainty of the model, but they also imply a potential increase or decrease in the results of our scope 3 emissions. This is a necessary part of the journey and we will recalculate our baseline accordingly, as required by GHG protocol, to ensure progress is diligently reported.

We actively advocate for more transparency and alignment in this area by participating in several relevant initiatives. We also participated in an IOFI project to define standardised emission factors for the industry and improve other scope 3 categories.

Supplier engagement

Our ambition is to drive action through supply chain engagement and to collaborate across the industry. The CDP Supply Chain Programme is one of the tools Givaudan uses to engage with suppliers on climate action and gain understanding of its supply chain: all the data collected through the CDP Supply Chain Programme contributes to this. The level of the impact of engagement varies depending on the level of maturity of our suppliers in terms of climate action.

With suppliers already leading and managing carbon-related issues, we seek to create partnerships to put in place collaborative measures or programmes to reduce our common emissions and cascade action further down the supply chain. For suppliers starting their climate action journey, we work towards a shift in behaviour and provide support and guidance.

This is aligned with and contributes to our delivering on our science-based target for scope 3 emissions.

In 2023, we went further and engaged in collaborations regarding potential reductions with our most advanced suppliers. The key topics are bio-sourced raw materials, renewable energy in the supply chain and the valorisation of by-products (upcycling). These collaborations take time to implement, and we will continue to work with our suppliers on these topics in the years to come.

We measure the success of our engagement with suppliers through the CDP Supply Chain Programme via different key performance indicators (KPIs). Data for 2023 is expected in February 2024. In 2022, our results were as follows:

1. Supplier response rate: In 2022, our supplier response rate was 78% compared to 83% in 2021. The number of responding suppliers increased to 141. As we keep expanding our supplier engagement, we now reach suppliers that might be less mature and require more support to answer the questionnaire.

Below, points 2, 3 and 4 are a means of measuring how many suppliers are more advanced in their climate action journeys. These are the suppliers with whom we are working to find collaborative measures or programmes, for example, combining several orders into full container loads to reduce transport emissions and thus reduce our common emissions. Encouraging suppliers to cascade commitments in their own supply chain is another key element of driving action.

2. Percentage of suppliers with a leadership (A or A–) or management (B or B–) score: 55% of our responding suppliers.

3. Percentage of suppliers reporting active targets: 84% vs. 78% last year. This increase reflects the importance for companies to have concrete targets.

4. Percentage of suppliers engaging their own suppliers: 79% vs. 82% last year.

Givaudan has been recognised once again for its global leadership in supply chain engagement with a place on the CDP Supplier Engagement Leaderboard.

We receive a scorecard summarising the disclosure of each supplier that has responded to the CDP Supply Chain. These scorecards are used by the supplier relationship managers (SRM) and category managers (CM) to engage with their suppliers and see what can be improved and how to collaborate. A supplier engagement toolkit has also been prepared by the Sustainability team in collaboration with the Procurement function for SRM and CM to help them engage with suppliers on sustainability topics in Procurement (climate action,

water, responsible sourcing, plastics, etc). This toolkit includes a clear call-to-action for our suppliers. The main requests are to engage with Givaudan on our overall climate goals via our key memberships including RE100; collaborate with us to reduce emissions and lower climate-related risk across our supply chain; engage with our scope 3 journey by setting up science-based targets; report on emissions and integrate renewable electricity into their climate journey; share current initiatives, long-term views, technologies, etc. and suggest where Givaudan can provide support or collaborate.

Innovation

Ambitious GHG emission reduction is not possible without innovation and an evolution of our technologies. We seek opportunities to partner with experts from diverse fields in finding new ways to improve our environmental performance. The goal is to develop technologies that can efficiently and reliably respond to variable needs across a range of processes and sites. Givaudan invests substantially in R&D.

As discussed in the section on low-carbon creations above, biotechnology also holds potential for carving out a more sustainable future for perfumery and for our planet. At Givaudan, it has already led to some extraordinary innovations. Akigalawood®, a novel material that has a profile similar to that of patchouli, is another example of a raw material now produced through biotechnology and a ground-breaking, environmentally friendly process.

Budget and financial mechanisms

Budget and financial mechanisms are also important enablers, and we have a dedicated budget for energy efficiency. Accordingly, and compared to the standard, extra capital is allocated to the design and construction of new greenfield facilities with higher energy-saving design standards.

We have also identified and agreed on an internal carbon price (ICP) mechanism to employ for our scope 1+2 emissions reduction projects. The ICP is meant to help us navigate GHG regulations, to change internal behaviour, to drive low-carbon investment, stress test investments and identify and seize low-carbon opportunities, helping us to prioritise our choices.

The ICP has been integrated into the CAPEX as well as into Continuous Improvement approval processes to ensure that the most efficient financial and decarbonising scope 1+2 projects are selected for implementation. Paybacks are now calculated with and without ICP to stress the importance of anticipating and reducing GHG emissions for scopes 1+2 upfront. We have chosen the ambitious threshold of 90 CHF/metric tonnes, based on the recommendation of the UN Global Compact. Working with this single price will allow us to gain some experience with the technique and then decide how to best use the ICP lever, either by adapting the price in time and/or selecting ad hoc prices per geographies. Top management is supportive of this change and is requesting ICP inclusion for all implementation proposals in operation sites worldwide.

Adding an ICP has helped guide our decision-making toward our goal to meet our SBTi and net-zero targets (to become a climate-positive business by 2050) by ensuring that all of our investments and operations gradually remove our GHG emissions as these are seen as additional costs. We also see that reducing GHGs and initiating projects that support this are initiatives that provide value for our Company.

A new Performance Share Plan (PSP) aligned with the Givaudan purpose focus areas was introduced on 1 January 2021. While we retained the financial metrics traditionally used to calculate the PSP, they have since been complemented by non-financial criteria linked to three focus areas of the Givaudan purpose. This includes the calculation criteria of net GHG emissions reduction in scope 1+2+3 in Nature purpose. The PSP is thus designed to reward executives and key talent who significantly influence the long-term success of the business and our purpose ambitions in terms of climate actions, among others.

We introduced a Sustainability-Linked Financing Framework in 2022, an important step in aligning our financing strategy with our sustainability performance. The establishment of this framework provides a comprehensive outline for issuing sustainability-linked financing instruments, which gives us the flexibility and support to achieve our 2025 strategy. Our intention is that such instruments will appeal to a broad range of the ESG-focused investor community, valuable allies in supporting our strategy. The framework will also offer an additional opportunity to communicate with investors and other market participants on our commitments to creating shared value for the business, society and nature.

Advocacy and promotion

Givaudan's involvement in numerous engagement activities demonstrates our ambition to help mitigate climate change and our desire to work in a broad global partnership of proactive companies dedicated to making a positive difference. Examples include our membership of IFRA and IOFI; RE100; Business ambition 1.5°C, an urgent call to action from a global coalition of UN agencies, business and industry leaders; the UN Global Compact, a strategic policy initiative for businesses committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption and, finally, the Renewable Carbon Initiative (RCI).

Governance and partnerships

In terms of governance, the Executive Committee leads Givaudan's overall strategic direction and is accountable for delivery on our purpose and Sustainability ambitions, including those on climate. The Sustainability Leadership Team, led by the Global Head of Sustainability, is made up of internal experts on topics linked to purpose/sustainability and supports our sustainability goals on a day-to-day basis.

We are getting organised with cross-functional teams delivering training on specific topics related to carbon management, GHG emission modelling and supplier engagement to internal stakeholders.

Solving systemic challenges requires working with like-minded partners, and we actively seek to develop collaborations with suppliers, customers, industry associations and communities. Broadly, they can be categorised into pre-competitive industry partnerships and partnerships we enter into to implement projects.

The first category, pre-competitive/sector-level partnerships, helps us drive meaningful alignments and actions at scale. In 2021, Givaudan joined TfS, an initiative to raise standards on sustainability throughout the chemical industry. We are engaging in their scope 3 workstream, which is developing partnerships between chemical companies on management and modelling of these emissions. One project is the development of the TfS PCF Guideline for the calculation of chemical materials, which will enable suppliers and corporations to produce and then share high-quality carbon footprint data. This open-source PCF Guideline allows suppliers and companies to calculate PCFs and corporate scope 3 category 1 (purchased goods and services) GHG emissions, with the latest version also covering Corporate Accounting. Looking ahead, we are also participating in the development of a platform that will allow corporations and suppliers to share upstream PCFs, making it easier for businesses to conduct cross-industry comparisons as well as to compile and manage all emissions.

We actively participate in a pre-competitive scope 3 project within the IOFI that aims to identify GHG emission factors for key ingredients commonly used in our industry. This important work aims to fill the data gap on scope 3 emission factors, especially as our industry often uses raw materials and ingredients that are not commonly available in existing proxy databases. The resulting database will be made available to all IOFI members, enabling many smaller companies to start their carbon footprint journey. This project has been actively championed by Louie D'Amico, Givaudan's President of Taste & Wellbeing, who was the President of IOFI in 2023.

Biodiversity and ecosystems

Subtopics Natural capital / Biodiversity loss / Deforestation / Land use and degradation / Endangered species / Agricultural practices / Agrochemicals / Pollution

Explanation of the material topic

Biodiversity is essential for the survival of all species and it is the natural heritage we leave as a legacy for future generations. Experts highlight an unprecedented rate of biodiversity loss, noting that a million species of plants and animals are close to extinction.

This biodiversity collapse is mainly resulting from five direct anthropogenic drivers, according to the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)[1]: land, water and sea use change, over exploitation of resources, climate change, pollution, and invasive species. Still, more than half of the world's GDP is highly or moderately dependent upon ecosystem services[2]. We are fully aware of this urgency, the direct consequences for humanity and, consequently, our industry.

Givaudan's activities are intertwined with and dependent upon the environment in which we operate. Our Company relies on a steady supply of more than 11,900 raw materials from across the globe, natural resources that are used in the creation of our Taste & Wellbeing and Fragrance & Beauty products. Our activities depend on biodiversity, as do the many communities we work with and look to support. We acknowledge that bending – and reversing – the curve of biodiversity loss will require a combination of actions including increased conservation, sustainable production and consumption, and regeneration. The inspiration we find in nature for our creations and products provides us an opportunity to value and protect ecosystems that are rich in biodiversity and frequently unique.

Impacts

UPSTREAM ●●●● | ●●● | DOWNSTREAM ●●

●●●● very high
●●● high
●● medium
● low
○ N/A

Risks & Opportunities

low | medium | high | very high

Management of the impacts

The natural ingredients we use in our products rely on preserved biodiversity and natural habitats; their unsustainable use and degradation may impact the availability of these inputs. Increased regulatory requirements for biodiversity preservation and customer demand for transparency drive us to continuously adapt and strengthen our approach. At the same time, ecosystems regeneration and biodiversity preservation are levers of opportunities for collaboration and innovation, allowing us to both contribute to our environmental commitments and the ones of our customers.

Biodiversity impacts, both negative and positive, can be considered from different angles, including from the sourcing of natural raw materials, direct operations, and in innovations.

Our industrial facilities can have an impact on the ecosystem where they are located through land use and fragmentation of natural habitats; pollution in terms of water use, water, soil and air pollutants, GHG emissions and waste.

Nonetheless, we expect that our greatest impact on biodiversity is linked to the sourcing of natural raw materials and associated risks in terms land use change, especially deforestation, cultivation and wild-harvesting practices: this means that the potential negative or positive impacts on biodiversity may also affect our approaches to climate, water, waste, wastewater and responsible sourcing.

We aim to connect people and nature while caring for it through our environmental commitments as defined in our purpose and 2025 Strategy. Our approach to biodiversity is embedded in these guiding principles and involves several key strategies to address our impacts on nature.

We follow the Mitigation and Conservation Hierarchy principles of 'avoid', 'reduce', 'restore and regenerate' and contribute to the transformation of the industry. Through each level of intervention, we support the terms of the Convention on Biological Diversity (CBD), the conservation of biological diversity

1. IPBES (2019). Global assessment report on biodiversity and ecosystem services of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services.
2. WEF (World Economic Forum) 2020 Nature Risk Rising: Why the crisis engulfing nature matters for business and the economy. Geneva. World Economic Forum.

itself and the sustainable use of its components. We promote the fair and equitable sharing of the benefits arising out of the utilisation of genetic resources and contribute to the targets laid down in the Kunming-Montreal Global Biodiversity Framework.

We have developed comprehensive policies that recognise the need to preserve the environment from the impact our direct operations may have through our Principles of Conduct and EHS Policy on Safety and Environmental Protection. We also expect our suppliers to adhere to the same level of commitments and standards and we have therefore integrated these principles into our Responsible Sourcing policy, which is shared with all suppliers. Suppliers of natural products are subject to specific requirements, especially related to ecosystem conservation, deforestation and forest degradation, fair and equitable sharing of the benefits derived from the use of biodiversity, the sustainable use of biodiversity, and sustainable agricultural practices.

Within the framework of our research and development programmes, we may use compounds derived from natural sources. In the sourcing process, we ensure that we take all the necessary steps to comply with the Nagoya Protocol principles and relevant Access and Benefit Sharing (ABS) laws and regulations.

We constantly assess our biodiversity risks linked to the sourcing of raw materials through our responsible sourcing and biodiversity due diligence processes, both for cultivated and wild-harvested naturals. Whenever applicable, we ensure our compliance and that of our suppliers regarding laws and regulations related to the sourcing and trade of natural ingredients, such as, but not limited to, those covered by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES).

In our direct operations, we assess the environmental impacts of our industrial facilities through the lens of GHG emissions, water use, wastewater and waste.

We are committed to contributing towards the preservation and restoration of biodiversity and natural ecosystems within and beyond our value chain. The accounting of corporate biodiversity performance is a fast-evolving and complex field, but we are nonetheless already taking steps to align with applicable targets and disclosure frameworks on nature.

These efforts to protect and restore natural habitats and to sustainably use and restore biodiversity are in line with Givaudan's efforts towards SDG 2 'Zero hunger'; SDG 3 'Good health and well-being'; SDG 6 'Clean water and sanitation'; SDG 12 'Sustainable consumption and production'; SDG 13 'Climate action'; SDG 15 'Life on land' and SDG 17 "Partnerships for the goals", which is also an enabler of our actions.

Promoting biodiversity on our sites

Givaudan operates in 78 production sites worldwide for the manufacturing of our products. An environmental risk assessment is carried out, looking at the impact of our activities on GHG emissions, water use, wastewater and waste, all of which are indirect drivers of biodiversity loss. All Givaudan sites answer the Sedex Site assessment questionnaire, which includes questions on environmental risks and mitigation measures, including for biodiversity.

Reducing our impact on biodiversity from direct Operations

All Givaudan sites are covered by environmental prevention and management plans to ensure the safety and environmental performance of operations within and around the premises. Givaudan is a signatory of the Responsible Care® Global Charter and has a comprehensive Responsible Care EHS Management System (RCMS), which is implemented throughout its global operations.

Givaudan has also set ambitious environmental sustainability targets in our direct operations for GHG emissions reduction, water stewardship and waste, which all contribute to reducing our negative impact on ecosystems.

We carry out an analysis of the proximity of our industrial sites to areas of high biodiversity importance using spatial secondary data layer references such as the World Database on Protected Areas (WDPA) and Key Biodiversity Areas (KBA). In our screening process, this high-level analysis is checked with ground-truth inputs to prioritise sites for the development of biodiversity action plans.

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Of all Givaudan sites, only one is located within a protected area: the Sierra Norte Natural Park in the north of Seville, Spain. The production factory, which is approximately 26,000m², opened in 1974 and was acquired by Albert Vieille in 1991.

Other Givaudan sites, integrated into the group through acquisitions made over the past years, are in close vicinity to protected areas and areas of ecological importance.

Givaudan's headquarters in Vernier, Switzerland, are situated a few hundred metres away from the Rhône riverbanks, portions of which are listed as a Ramsar site, wetlands of international importance, where hundreds of protected species can be found. It is one of the most important wintering sites for birds in the country.

Givaudan's Ile-Grande site is situated in the Morlaix Bay area of northern Brittany, France. This site provides high added-value ingredients derived from micro-algae for the cosmetics industry. The 'Côte de Granit rose – Sept îles' zone, which spans over 72,000 km², has been listed as a Marine Protected Area since 2012 and is a Natura 2000 site.

Givaudan's site in Naarden (Netherlands), is adjacent to the freshwater lake Eemmeer whose reedbeds are home to waterbirds. The Eemmeer and Gooimeer Zuidoever is a Natura 2000 site (Birds Directives).

Givaudan's site in Ede (Netherlands), is situated a few hundred metres from the largest terrestrial nature area in the country, the Veluwe (Natura 2000 site). It is one of the most important European habitats for plant and tree species.

Biodiversity inventories and site certification

Voluntary initiatives from Green Teams around the globe have prompted several of our sites to inventory flora and fauna: some have been certified for their commitment to protecting natural habitats and biodiversity.

First certified in 2008, our site in Vernier was successfully re-certified for the third time by the Nature and Economie Foundation in 2023. For many years, the local Green Team has been organising activities and events to raise awareness on the importance of preserving biodiversity on and around the site. Projects include the construction of insect hotels and naturalist field trips to observe birds on the riverbanks.

In 2022, the Green Team of our Avignon site in southern France engaged with the 'Ligue pour la Protection des Oiseaux' (LPO), part of BirdLife international, to carry out an inventory and list the site and its adjacent pedagogic orchard as an 'LPO Refuge'. Over the course of four visits carried out at key times of the year, around 30 species of birds and 15 species of butterflies were observed amongst the species identified. Recommendations were made to improve the existing infrastructures and maintenance of the green spaces to increase the abundance and diversity of flora and fauna species on site.

Beyond these two sites, we are working towards expanding this initiative to other sites next year and involve more collaborators in our efforts to protect biodiversity.

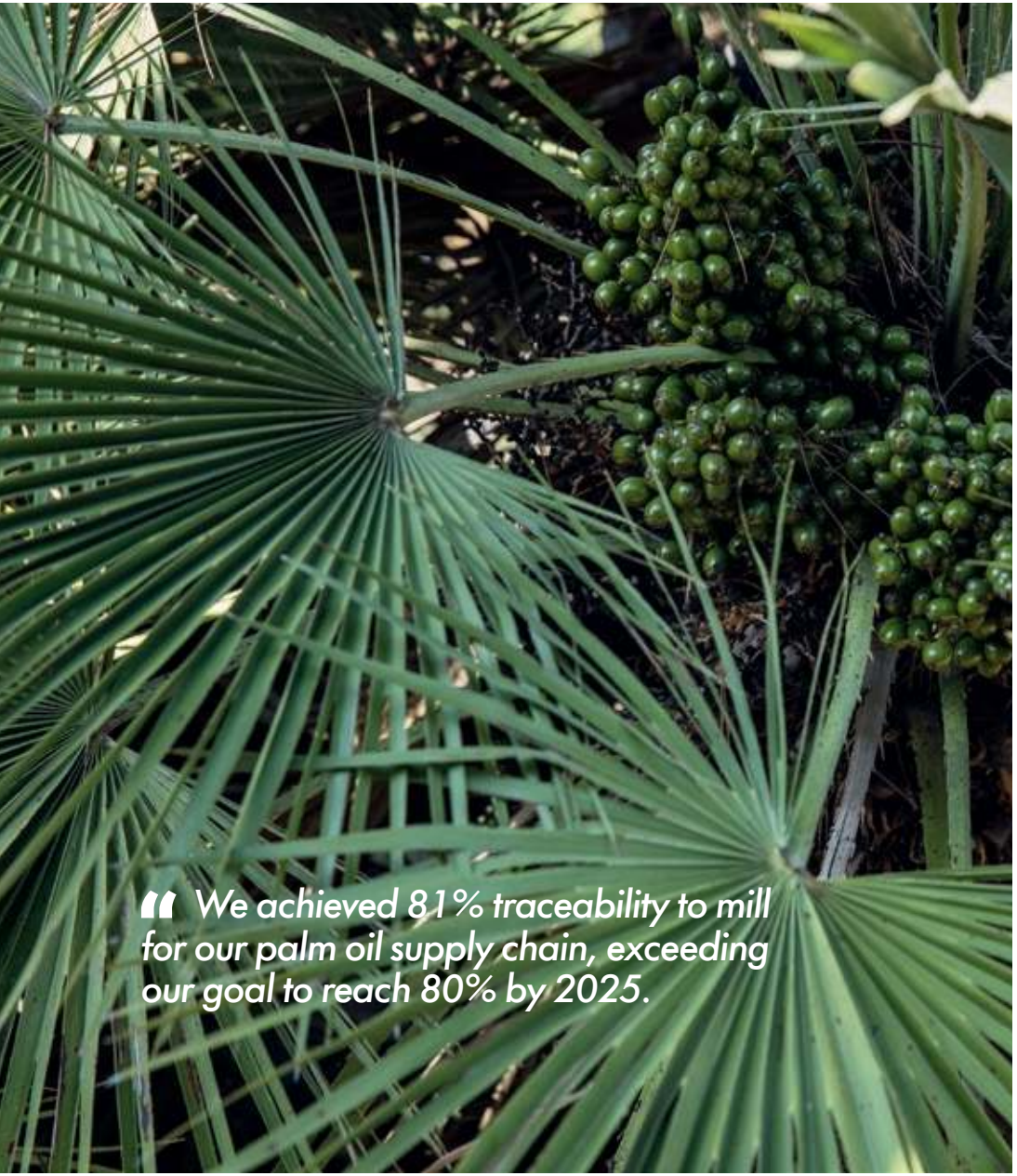
Preserving and restoring biodiversity in our supply chains

Givaudan relies on thousands of natural raw materials to create products and experiences for its customers. We are conscious that cultivation and harvesting practices can have a detrimental impact on natural ecosystems and therefore biodiversity, putting our activity at risk.

Natural raw materials nonetheless also provide an opportunity to have a positive impact if sustainable and regenerative practices are promoted and driven at scale in our supply chains. The multiple approaches of regenerative agriculture, for example, can help restore soil health, and have an impact on carbon sequestration, water conservation, and the livelihoods of farming communities. Ensuring the preservation and restoration of natural habitats, ecological corridors and soil management practices that support biodiversity is central to our roadmap.

Locate and assess the risks

In our supply chains, an environmental risk assessment is implemented through our Sourcing4Good approach and regulatory procedures and covers 80% of our natural raw materials spend. Our commitment and efforts to achieve greater transparency in our complex global supply chains help us identify where risk might exist. This allows us to make sure we comply with international and national regulations and to calibrate the degree of our response and supplier engagement.



Prioritised raw material suppliers are asked to provide further due diligence information and are consulted to identify, with the support of the responsible sourcing team, risks for biodiversity, amongst other topics. In certain cases, when the risk is high, Givaudan may probe further supply chain verification, including farm/supply chain level audits. This gives us a basis for collaboration with our suppliers to assess the impact on biodiversity from the production or harvest of the raw material, and then jointly define a mitigation plan.

Avoid impact (conserving habitats)

Some of our natural raw materials may pose risks in terms of deforestation or land conversion. Deforestation, land conversion and fragmentation of natural habitats prompted by agricultural expansion are the first drivers of biodiversity loss. This is particularly the case for forests, which are hotspots of biodiversity.

We are working towards minimising this risk, for example, in our palm supply chain, a commodity categorised as 'high risk' for deforestation. We published a position statement on palm oil in 2020, emphasising our commitment to 'no Deforestation, no Peat, no Exploitation' (NDPE) principles.

In 2023, we achieved 81% traceability to mill for our palm oil supply chain, exceeding our goal to reach 80% by 2025. We are going one step further by working on reaching traceability to plantation, which will allow us to meet regulatory requirements and is the foundation for rolling out our deforestation risk assessment and due diligence in high-risk origins.

Givaudan is a member of RSPO, a global not-for-profit organisation that promotes and certifies sustainable palm oil and derivative products. We may rely on third-party certification standards such as RSPO, SAI Farm Sustainability Assessment (FSA) or the Union for Ethical BioTrade (UEBT) as part of our due diligence tools to verify compliance against sustainability requirements, including no deforestation, of selected supply chains.

Since 2020, we have also been supporting Earthworm Foundation landscape projects in countries where forest-risk commodities are produced, such as Indonesia, Malaysia and Ivory Coast. In 2023, about 12% of our palm portfolio was covered by such projects. The projects involve monitoring deforestation with both remote-sensing

technology and ground verification, providing granular visibility of deforestation risk in the landscape. This gives us assurance that mitigation and remediation actions are implemented on the ground in a cohesive way with small and large producers.

In 2023, we detailed our forest-risk management process for our palm supply chain through the CDP Forests disclosure.

Contributions to conserving species from extinction

Several of our agronomy projects contribute to the better identification, understanding and preservation of the diversity and richness of botanical species. We may collect, for example, representatives of the genetic diversity of botanical species to study their characteristics, performance and resilience in changing environmental and cultivation conditions. Building this bank of genetic diversity supports our recommendations to producers on the most resilient and performing varieties and contributes to preserving the diversity of the resource.

We also contribute to alleviating the pressure on several wild harvested plants, some of which may face increasing pressure due to market demand or unsustainable harvesting practices. We investigate opportunities for domesticating and cultivating these plants to develop complementary sourcing and to reduce the pressure on the wild supply. Promoting sustainable and ethical wild harvesting while also supplementing the sourcing with cultivated raw material supports both the conservation of the species and sustains the interests and livelihoods of the communities involved.

These projects build on long-standing investments in biodiversity conservation initiatives such as our contribution to the University of California, Riverside, in supporting the world's most extensive citrus collection.

Reducing impact with sustainable production and harvest practices

Our Responsible Sourcing policy stipulates that no banned pesticides shall be used in our supply chains for cultivated raw materials. We also expect suppliers to establish and implement integrated pest and disease management plans in order to reduce impact on critically important terrestrial and freshwater species and to avoid contamination of freshwater sources and streams.

We have dedicated projects in several of our prioritised natural ingredients supply chain for both our Taste & Wellbeing and Fragrance & Beauty segments. These projects are internally implemented by our teams and with our suppliers, or can be steered in partnership with external experts.

With a network of eight agronomists worldwide, we are systematising our approach and support towards achieving more sustainable production for key ingredients in our procurement portfolio. In 2023, we successfully implemented nearly 27 agronomy projects globally, established a network of 52 field trials known as 'Agropoles,' and fostered collaboration with a network of about 70 technical and scientific partners. Key aspects of our projects include the implementation of traceability foundations, training producers on good agricultural practices, and fostering their adoption at scale.

For example, in India, we are partnering with a mint supplier and a technical provider to test and scale a digital traceability-to-farm solution and promote good agronomic practices amongst smallholder producers. We achieved 100% traceability to farm with about 140 farmers in 2023 and are now tracking and monitoring cultivation practices through a digital farm management application. We intend to expand our outreach to more mint producers in 2024 and to integrate regenerative agriculture training plans in our technical extension services offer.

Restoring ecosystems with regenerative agriculture

For Givaudan, regenerative agriculture practices are paramount amongst the nature-based solutions that support positive soil health, biodiversity, water, carbon and economic benefits, and we look to support a transition towards adopting them. Regenerative agriculture is a holistic approach to farmland management that goes beyond sustainable farming: it aims to restore soil health and upgrade ecosystem resilience.

Our Agronomy department is already steering interventions in some of our strategic naturals supply chains such as guarana, rosemary, turmeric, patchouli, rose, lavender and jasmine. The objective is to define, test and scale-up substantiated recommendations of regenerative cultivation practices that meet environmental and economic objectives.

For example, we are monitoring the agronomic, environmental and economic impacts of intercropping guarana trees with 18 other species on the same field. In India, we designed a crop rotation plan

for our regenerative turmeric trial that comprises about 10 different species. In Indonesia, we are trialling several organic fertilisers and compost alternatives for patchouli cultivation.

In 2023, we also started monitoring several pressure, state and response indicators on our pilot regenerative trials. Monitored indicators include, but are not limited to:
- Soil: soil health, soil organic matter, soil fertility
- Carbon sequestration: GHG emissions reduction and carbon sequestration potential
- Water: water consumption, soil water holding capacity
- Biodiversity: crop diversity, natural habitat extent, pollinators and natural enemies
- Economic resilience: economic profitability of the model.

The trial plots serve as a basis for research and demonstration to substantiate recommendations and support producers into the adoption of regenerative practices.

Fostering positive change beyond our supply chains

Considerations of landscape are essential to ecosystem and species conservation and restoration. In the case of cultivated biomass, farms are not always adjacent and adopting a landscape approach to drive adoption of sustainable production practices can have a much bigger impact on our efforts to protect and restore biodiversity. A similar approach is also appropriate for wild harvested botanicals whose abundance can be threatened by unsustainable harvest.

Natural habitat conservation also requires a coordinated approach at the landscape level and a comprehensive package of services that take the needs and realities of communities into consideration. The valuation of ecosystem services and collaboration amongst stakeholders with interest in the landscape is fundamental to long-lasting conservation and restoration plans.

One example where Givaudan is supporting action beyond its direct supply chain is in Namibia, where we have been collaborating since 2020 with the Namibian Devil's Claw Exporters Association Trust (NDCEAT), the Namibian Network of the Cosmetics Industry (NANCi) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH as part of the BioInnovation Africa programme. The collaboration, which was extended for another two years in 2023, aims to promote the adoption of Good Agricultural and Collection Practices and ABS compliance (GACP+) guidelines within the devil's claw sector. This partnership unites the main Namibian devil's claw exporters in a common objective to ensure the sustainability of this wild botanical's harvesting practices from the perspectives of resource conservation and community livelihoods.

The Givaudan Foundation is also committed to supporting projects that have a positive impact on the conservation, sustainable use and regeneration of biodiversity and ecosystems in the regions where Givaudan operates. You can find more information about the work of the Foundation on their website: www.givaudan-foundation.org.

Contributing to and advocating for systemic change

Givaudan is dedicated to contributing to collaborative action and initiatives that advocate for biodiversity and nature. We engage with multiple partners, locally and globally, to deliver on our ambition and foster change.

Technical and implementation partners include supply chain partners, expert organisations such as reNature and Biosphères, technical institutes such as Iteipmai and Crieppam, and many other academic and implementation partners who help us deliver on our agronomy and regenerative agriculture roadmaps.

We also contribute to and support various sectoral initiatives, calls to action and implementation partners:

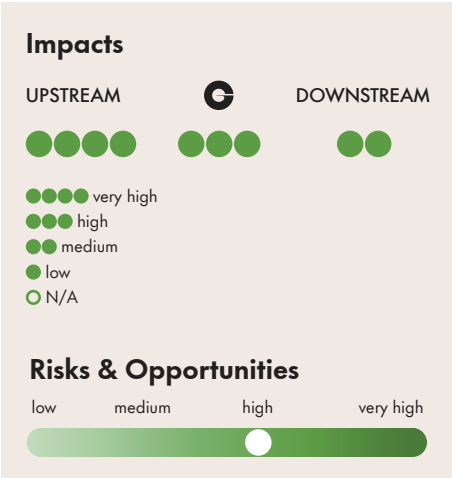
- The Alliance for the Preservation of Forests, who advocates for sustainable agricultural value chains and the protection of natural habitats.
- The #makeitmandatory campaign and 'Nature is everyone's business' call to action of Business for Nature, who we support in their contribution to nature disclosure.
- The Regenerative Agriculture Metrics workstream of the WBCSD/OP2B, who we support in their aim to align and drive the uptake of corporate reporting on regenerative agriculture outcomes.
- Numerous additional sectoral engagements such as the SAI Platform, RSPO, Earthworm Foundation, TfS, etc.

Water security

Subtopics Water withdrawal and usage / Water scarcity / Groundwater level / Wastewater management and compliance

Explanation of the material topic

Shared water challenges associated with climate change and extreme weather events are likely to increase in frequency and intensity in the coming decades. We need to work collaboratively with our neighbours – including suppliers, local partners and communities – to address challenges at the watershed level so we can regenerate stressed watersheds and mitigate water risks.



At Givaudan, water is essential to our production activities and to our entire value chain. In operations, we use water primarily for hygiene and cleaning, cooling and processing and have some factories in water-stressed areas. Our use of water also generates wastewater, and we need to ensure that it is treated appropriately before being discharged into the environment.

In our supply chain, water use is related to the natural raw materials that rely on agricultural irrigation and to the synthetic raw materials that require water in production. Potential negative impact may be linked to the sourcing of raw materials in areas with water stress, or to water pollution from agrochemicals used in agriculture.

Givaudan's value chain is highly dependent on water: increased water scarcity could lead to increased costs or the outright inability to provide certain products, impacting our business severely. At the same time, not adhering to wastewater regulations in our own operations could lead to significant financial fines, reputational damage and to the cancellations of permits. Strengthening and introducing new water efficiency measures, on the other hand, offers financial and reputational benefits.

Responsible use of water is essential to Givaudan's leadership and we believe that our business model must be fully aligned with, and contribute to, sustainable water management in the key water basins where we source and operate, particularly in areas considered to be at high risk.

Management of the impacts

Givaudan is striving to be an industry leader in water conservation and security, and we look to use water in a socially equitable, environmentally sustainable and economically beneficial way. Driven by our purpose, we must lead the way by delivering on our own ambitious commitments.

Our overall strategy for monitoring and reducing water consumption is defined in our Water Policy, which reflects our commitment to stewardship: we aim to drive a positive impact in watersheds where we source and operate. This means, for example, reducing pressure on water resources through efficient solutions that diminish water use over product life cycles and continuously improving how we manage effluent discharge. In our supply chain and in our communities, we are promoting best agricultural practices for specific ingredients that we use, mitigating water risk and improving the management of water quality.

We are confident that treating water as the precious resource that it is and reusing it as much as possible will allow us to mitigate watershed challenges and to improve the lives of everyone along our value chain. We focus our efforts 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 our operations, we are working towards clear targets: by 2030, we will improve water efficiency by 25% on sites facing water stress – defined as the ability, or lack thereof, to meet human and ecological demand for fresh water – compared to 2020 levels and continuously improve water efficiency on all other sites. By 2030, a full 100% of our wastewater discharge will meet or exceed regulatory and industry standards. In our supply chain and in our communities, our goals are to improve and protect water quality and quantity in our priority natural supply chains and improve access to Water, Sanitation and Hygiene

(WASH) principles, seeking to guarantee access to water to all our employees and to vulnerable communities in the areas where we source and operate.

We carry out periodic corporate risk assessments that include both water and climate-related risks as we recognise the strong link between the two. This allows us to identify relevant exposures and perform analyses that are specifically related to the watershed-level context.

Our targets and goals are aligned with the United Nations Sustainable Development Goals, and we focus our attention specifically on activities related and contributing to SDG 6 'Clean water and sanitation' and to SDG 12 'Responsible consumption and production' to ensure we contribute to safer and more sustainable company development. Our policy also follows best practices from the UN Global Compact's CEO Water Mandate, which we endorsed in 2020.

We respond annually to the CDP Water Security questionnaire and strive for continuous improvement as part of our water resources management and stewardship commitments.

Our operations

In our operations, we have set clear objectives to optimise water efficiency, with a focus on water-stressed areas and wastewater treatment. Our business operations are fully aligned with and contribute to the sustainable management of water in the key watershed basins in which we work. The majority of the water withdrawal in our operations is taken from surface water; other main sources are municipal supplies and groundwater. On sites that are not deemed to face particular water stress, we will in any case drive continuous improvement to reduce the withdrawal rate.

Our use of water generates wastewater, and we ensure that this water is treated appropriately before being discharged into the environment. Such treatment can range from full primary and/or secondary on-site treatment before discharge into the environment, to partial primary and/or secondary pre-treatment before the wastewater is sent to third-party sewage and/or to direct discharge into the environment because of its flawless quality. We ensure that our wastewater meets or exceeds regulatory and industry standards by monitoring parameters such as pH, chemical oxygen demand (COD), biochemical oxygen demand (BOD), fat, oil and grease (FOG), total nitrogen, total phosphorus, total organic carbon, temperature, heavy metals, etc., at least as frequently as requested by local legislation and industry standards.

On all sites, we implement our wastewater standard, highlighting our own stringent requirements to be fulfilled by all sites in addition to regulatory requirements. We also conduct annual contextual water risk assessments using the Aqueduct Water Risk Atlas developed by the World Resources Institute to review and update the list of sites in water-stressed areas accordingly. We then plan actions aligned with our 2030 target. In 2023, the acquired DDW site in Shanghai was added to the list, which is now composed of 12 sites.

We also track site water quantity and quality KPIs within our operations for both water withdrawal and water effluents.

Our sites continually review hotspots and introduce technical improvements that drive our water efficiency strategy. We put a special focus on places facing water stress to develop mitigation action plans that include efficiency improvements and water reuse opportunities.

In terms of efficiency improvements, we first focus on the basics, looking to avoid any leakages and to ensure preventive maintenance. The next step is to look at the production processes such as Clean In Place (CIP), overall cleanings and utilities-related consumption including water treatment, steam and cooling processes that use water. Aside from leveraging continuous improvement opportunities, we encourage a shift towards semi-closed or closed loops wherein the discharged water is cleaned and recycled as fresh water input whenever possible in terms of quality, safety and cost.

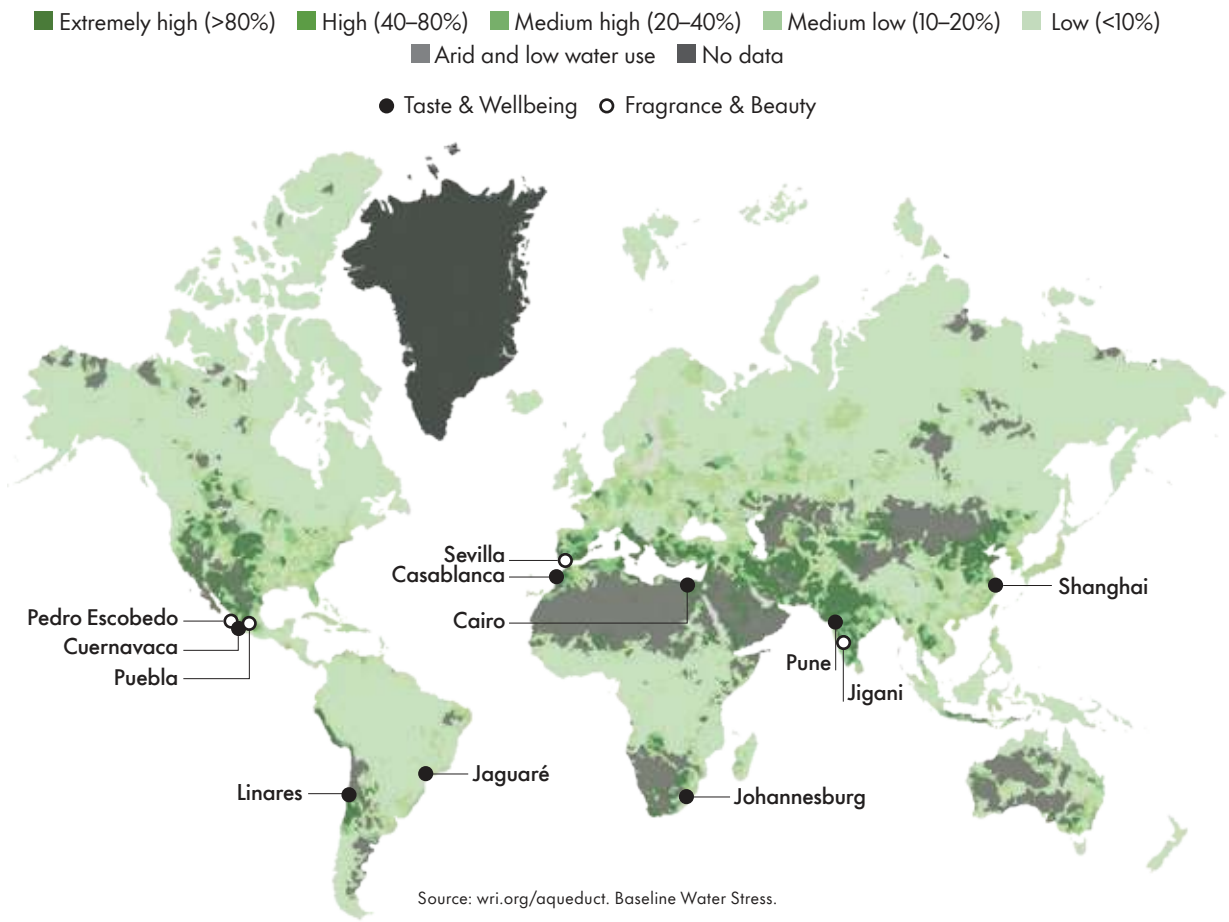
Actions and progress in 2023

To improve water use, a first approach has been to replace municipally sourced fresh water by recycled water in the processes that permit it. This allows for a significant reduction in the amount of municipal water consumed by the site. As an example, our Taste & Wellbeing site in Cimanggis, Indonesia, has deployed a series of projects that apply this principle, re-utilising discarded reverse osmosis water, used hydrant water and even wastewater for use in toilets. This allowed the site to avoid the use of approximatively 30,000 m^3 of fresh municipal water in 2023.

Another approach is to focus on optimising CIP processes. Our Fragrance & Beauty site in Changzou, China achieved a 35% reduction in water consumption by capturing the final rinse water and using it in the pre-rinse stage of the cleaning step. This amounts to an annual saving of 960 tonnes of freshwater water. There are many water-saving initiatives that follow the 3R principles ongoing at Givaudan sites worldwide. Our site in Sant Celoni, Spain, for example, implemented a series of projects including reducing the consumption of water by recirculating the liquid rings in vacuum pumps and recuperating water from filter backwash as well as reverse osmosis rejections. As of 2023, the site was operating with 27% less water than it was in 2020. This proactive approach turned out to be very impactful – the site had already managed to reach the 15% reduction in water withdrawal regional authorities later imposed on local industry.

We are also developing water saving best practices to support our commitments. The first phase of our internal water saving best practices workshops was finalised in 2023 with the identification of 57 best practices, and sites with good potential for large water savings. We will implement the best practices as of 2024.

Our sites in water-stressed areas



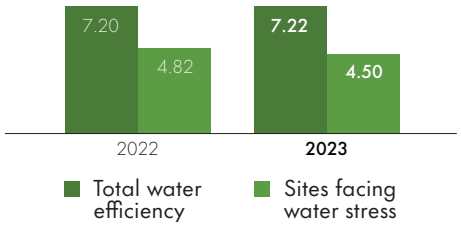
Source: wri.org/aqueduct. Baseline Water Stress.

Support to sites located in areas of water stress has also been agreed and validated by top management: each site will be supported by an ad hoc third-party water audit, with the objective of covering all 12 sites between 2022 and 2025. Site specific targets have been set and CAPEX investment on water-related projects has been prioritised for these sites by top management.

Givaudan's overall water efficiency (municipal and ground water/tonne of product) was maintained compared to 2022 values. Focusing on the key sites located in water-stressed areas, there was a sustained, important improvement in 2023 with a 18% reduction compared to the 2015 baseline efficiency target.

We continue to work to ensure that wastewater from our operations is disposed of responsibly and to monitor its quality, especially through Chemical Oxygen Demand (COD) analysis, an indicator of water quality or pollution. The total quantity of COD discharged was measured at 1,116 tonnes in 2023, a 31% decrease compared to 2022. By 2030, 100% of our sites' wastewater discharge will meet or exceed regulatory and industry standards. In 2023, our internal follow up process identified 12 deviations which leads to more than 80% of our sites compliant this year.

WATER EFFICIENCY[1]
In m³ withdrawn per tonne of production



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

WATER WITHDRAWAL

Water withdrawal (m³)	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
Surface water	4,923,265	5,773,285	5,724,436
Fresh water		5,773,285	5,724,436
Other water			
Groundwater	1,663,406	1,637,607	1,498,029
Fresh water		1,596,926	1,468,209
Other water		40,681	29,820
Seawater		380	121
Third-party water - purchased water	3,536,872	3,646,338	3,273,718
Rainwater collected directly and stored by the reporting organization	13,200	13,860	7,506
Third-party water - wastewater from another organisation	275,828	224,130	196,854
Total water	**10,412,571**	**11,295,600**	**10,700,665**
Total water withdrawal from sites facing water stress	**751,313**	**722,577**	**644,605**

1. These values include the assured figures coming from all Givaudan entities and acquisitions (except for Fragrance Oils, Custom Essence and Expressions Parfumées) as well as from restatements.
2. Assured figures including all Givaudan entities and acquisitions except for: Fragrance Oils, Custom Essence and Expressions Parfumées.

WATER DISCHARGE

Water discharge (m^3)	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
To the environment w/o biological treatment	3,860,523	4,927,074	5,014,980
Surface water		4,865,394	4,970,900
Fresh water		4,355,582	4,484,211
Other water		509,812	486,688
Groundwater		46,579	34,049
Fresh water		35,752	25,931
Other water		10,827	8,118
Seawater		15,102	10,031
Fresh water		15,102	10,031
Other water		–	–
To the environment after biological treatment	2,151,186	2,179,924	1,936,337
Surface water		1,701,285	1,584,040
Fresh water		309,669	308,050
Other water		1,391,616	1,275,990
Groundwater		93,262	–
Fresh water		93,262	–
Other water		–	–
Seawater		385,377	352,297
Fresh water		385,377	352,297
Other water		–	–
To external treatment facility w/o pre-treatment	839,931	698,170	631,923
Fresh water		393,270	344,539
Other water		304,900	287,385
To external treatment facility with pre-treatment	2,003,304	2,182,446	1,949,952
Fresh water		1,468,760	1,094,537
Other water		713,686	855,416
Total discharged water	**8,854,946**	**9,987,614**	**9,533,192**
Total discharged water from sites facing water stress	**387,305**	**381,231**	**262,770**

WATER CONSUMPTION

Water consumption (m^3)	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
Water consumption[3]	1,557,625	1,307,986	1,167,472
Water consumption[3] in water-stressed sites	364,009	341,346	381,836

1. These values include the assured figures coming from all Givaudan entities and acquisitions (except for Fragrance Oils, Custom Essence and Expressions Parfumées) as well as from restatements.
2. Assured figures including all Givaudan entities and acquisitions except for: Fragrance Oils, Custom Essence and Expressions Parfumées.
3. Includes sanitary, cooling and process water.

WATER USE IN OUR OPERATIONS

~10.7 million m^3 water withdrawn

~9.5 million m^3 water discharged

~1.2 million m^3 water consumed

Our supply chain, partners and communities

Givaudan acts as a role model in water stewardship, working to protect water-dependent ecosystems and encouraging the sustainable use of resources. In our communities, we want to set goals that develop watershed strategies and collaborative actions in our priority sourcing areas.

In our supply chain and in our communities, our goals are to improve and protect water quality and quantity in our priority natural supply chains and to improve access to WASH in vulnerable communities where we source and operate.

Here, we are starting to work in partnership with experts and communities in our priority natural supply chains as defined by our Responsible Sourcing programme, Sourcing4Good, to first identify those that are exposed to water risks. Once the groups are identified, we define shared water challenges and local stakeholder priorities in the watershed. We then explore water stewardship activity opportunities, including

nature-based solutions and potential project partners, and then develop an activity implementation roadmap.

Improving access to WASH positively impacts the lives of communities where we operate and source and we approach it through a number of measures. For instance, our EHS policy aims to safeguard adequate access to safe drinking water, sanitation and hygiene for all employees in locations under Company control. We implement our goal of ensuring that all our manufacturing facilities provide adequate WASH services, including all those facilities acquired in recent years, and engage suppliers regarding their employees' access to WASH via Sourcing4Good. We also interact with communities around Company operations to identify those without safe and adequate access to WASH and establish local partnerships to provide it, including long-term maintenance, by 2030.

To better understand our supply chain water risk, we collect primary data from our main suppliers to be used in the supply chain water-risk assessment. We foster improvements in water management and enhanced water-risk identification by promoting the reporting of data in our supply chain. Our Responsible Sourcing policy guides suppliers to comply with local wastewater treatment regulations, urging them to reduce their impact on watersheds where they operate in terms of aspects including water scarcity, quality and stress.

We engage with our suppliers to advance their water stewardship journeys by asking for information on their relevant accounting systems, for details on their water management strategies such as governance and targets, and for examples of actions they have taken to reduce their impact. This information can be used by our procurement team to better understand the challenges the suppliers are facing and make sure they implement the appropriate mitigation measures. This can also help less advanced companies identify risks to avoid disruption: these questionnaires indirectly impact their water management. At any level of maturity, we expect the supplier to improve in the following years.

Overall, Givaudan looks to champion best practices across the value chain, leveraging our influence with business partners and suppliers to promote good water management. We want our strategic suppliers to move beyond simply reporting water accounting information and into active management. This is why we work together to help them understand their water impact and then take action to reduce it. We measure the success of our engagement in terms of supplier actions that demonstrate improvement year-on-year.

Actions and progress in 2023

In 2023, we performed a thorough revision of our corporate water footprint to enlarge the scope of the previous assessment and integrate new aspects including parameters of quality.

Once again, we participated in the CDP Supply Chain programme, using its water security questionnaire to ask our suppliers to share information about their risks and opportunities associated with water; their water accounting systems; the details of their water management strategy including targets, and actions to reduce their impacts.

Responding to the Supply Chain module increases our suppliers' levels of maturity directly and improves transparency. This, in turn, translates into concrete actions from their side to reduce water impacts in their own operations and, sometimes, translates into learnings about good practices from our side.

We track the following two KPIs, where an increase of at least 5% is considered to be the threshold of success for both. Data for 2023 is expected in February 2024. In 2022, our results were as follows:

KPI 1 We measure the success of our engagement with suppliers by the increase of their responses in our CDP Supply Chain programme. In 2022, 87 suppliers responded compared to 80 in 2021. This translates into a 8.7% increase in engagement, which is considered a success. Furthermore, in 2022, 91% of our suppliers reported active targets and goals and 87% reported risk assessment procedures.

KPI 2 We measure the maturity of our supplier pool by calculating the percentage of suppliers with a leadership (A or A–) or management (B or B–) level. 61% attaining these levels in 2022 compared to 45 % in 2021, we saw a 35% increase in maturity, which is considered a success.

Givaudan collects information to feed the Supply Chain water risk assessment by using primary data from our main suppliers. By promoting data reporting within our supply chain we foster improvement in water management and water risk identification.

Our work to improve and protect water quality and quantity in our priority natural supply chains includes projects such as one on lavandin and fine lavender in the South of France. In partnership with regenerative agriculture technical experts, we carried out comprehensive soil audits in key producing areas. The baseline assessment took place in two pilot sites in 2023 and includes soil profiles, visual evaluations of soil structure, and soil analysis. These assessments will help to accurately characterise the soil, its structure, its physico-chemical characteristics, and its water holding and releasing capacity. This baseline assessment will allow for the definition of adapted cultivation and water management practices to address the local challenges faced by the producers.

In alignment with our water policy and our efforts to promote global access to WASH, in 2023, our Green Team in Pune, India proposed repurposing plastic drums to create new sanitary units. Using the recycled plastic to create everything from walls to floors to the toilet structures themselves, the resulting facility benefited 550 pupils from the Pandit Jawaharlal Nehru Secondary and Higher Secondary School who had suffered from a lack of access to such sanitation facilities.

Through the Givaudan foundation, we also improved the living conditions of boswellia collecting communities in rural India by partnering with UEBT to install drinking water infrastructures including water wells and reservoirs. As a result, 1,600 people have gained easier access to clean water, especially by reducing the time they need to gather it. A water committee will maintain and assure the good functioning of the water points over time.

“ We partner with experts to develop water conservation practices recommendations in supply chains such as lavender in France.

Social

45 Our social ambitions

46 Communities

49 Workforce health, safety and wellbeing

58 Diversity, equity and inclusion

62 Stakeholder engagement

Our social ambitions

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

Focus area	Target	Status 2023	Actions and measures
Diversity and inclusion	We will be rated amongst the **leading employers for inclusion** globally **before 2025**	**74%** internal inclusion score	› Inclusive job ads › Balanced slates for hiring and promotion › Hiring Manager Training › Striving towards equal pay › Managing unconscious bias at work › Removing workplace barriers through dedicated initiatives
	50% of our senior leaders will be from **high growth markets before 2030** (baseline 2018)	**28%**	› Assessing and reviewing the numbers of our workforce, particularly relating to gender and nationality › Tracking progress in this regard, including the percentage of women and high-growth market nationalities in leadership positions
	50% of our senior leaders will be **women before 2030** (baseline 2018)	**28%**	

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

Focus area	Target	Status 2023	Actions and measures
Caring for employee safety, health and mental wellbeing	We will reduce our total recordable case rate by **50% before 2025** (baseline 2018)	**–47%**	› 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
	Everyone on our sites will have **access to mental and physical health initiatives, tools and training before 2025**	**82%**[1]	Providing access to mental and physical health initiatives, tools and training for all employees: › Employee assistance programme › Setting Workplace Wellbeing Standards: baseline setting and commitment to annual review

By 2030, we will source all materials and services in a way that protects people and the environment.
By 2030, we will improve the lives of millions of people in communities where we source and operate.

Focus area	Target	Status 2023	Actions and measures
Communities benefit by working with Givaudan	**100% of materials and services** will be sourced responsibly **by 2030**	**33%**[2]	› Our Sourcing4Good programme and our Responsible Sourcing policy › Conducting Due Diligence Questionnaires with our suppliers
	We will improve the lives of millions of people in communities where we source and operate by 2030	**440,660**	Through employee activities, Green Teams and the Givaudan Foundation, develop initiatives that: › Respond to needs within communities › Support activities ranging from health and education to enhancing environmental and agricultural practices

1. of sites with more than 20 employees and who participated in the 2023 data collection excercise. This is now the baseline percentage.
2. % by procurement spend, flagged as sourced responsibly upon completion of basic due diligence as define in our Sourcing4Good programme.

Communities

Our targets

- By 2030 100% of materials and services will be sourced responsibly
  STATUS 2023 **33%**[1]
- By 2030 we will improve the lives of millions of people in communities where we source and operate
  STATUS 2023 **440,660**

1. % by procurement spend, flagged as sourcedresponsibly upon completion of basic due diligence as defined in our Sourcing4Good programme

Our business depends on the communities where we source and in which we operate and, in turn, we want to ensure we create value for them. By responding to needs within communities and using our expertise as a force for good, we improve lives through a variety of social and environmental projects.

Everything we do as part of our commitment towards communities focuses on two of our ambitions: to source all materials and services in a way that protects people and the environment, and to improve the lives of millions of people in communities where we source and operate by 2030.

Our commitment to sourcing responsibly

Every year, we spend more than CHF 3.7 billion sourcing different raw materials and indirect materials and services from more than 17,000 suppliers around the world. Many items are sourced from remote communities that may face environmental and economic pressures.

Sourcing responsibly is our active and conscious commitment to consider social and environmental aspects when managing the relationships with and the performance of suppliers. Working with our suppliers for greater transparency and improved practices in areas ranging from health and safety to agricultural practices is essential. As of 2023, 33% of our total procurement spend (raw materials, indirect materials and services) is identified as sourced responsibly, having undergone the defined requirements as part of our flagship Sourcing4Good programme. This includes 76% of our spend in natural raw materials and 22% of our spend in synthetic raw materials flagged as sourced responsibly. For our indirect materials and services portfolio we will start the process in 2024.

We have always shown leadership in responsible sourcing, traceability, and transparency, and addressing environmental and social concerns. In 2016, we were the first in the industry to publish a Responsible Sourcing policy and in 2021, we launched Sourcing4Good, a programme that builds on this leadership.

Our approach

Sourcing responsibly
Our conscious commitment to consider social and environmental aspects when managing the relationships with, and performance of, suppliers

Stronger communities, sustainable business
Responding to both long-term and immediate needs within communities to ensure all communities benefit from working with us

Improving lives with the Givaudan Foundation
Ensuring we have a positive impact on the communities where we source and operate

“ Recognising and supporting the broader development goals of local communities is essential to acknowledging their important contributions.

Sourcing4Good is the pillar of our approach to responsible sourcing and is based on the principle of collaboration and the sharing of knowledge, experience and expertise with our suppliers, customers and partners.

We believe this programme – based on industry criteria from environmental to social and offering supply chain security, far greater transparency and more relevant supply chain information – is a win for everyone. Designed to be flexible, collaborative and transformational, Sourcing4Good is meant to reduce risk, increase transparency, and allow greater traceability and data. Thus, it allows for the implementation of best practices and climate-adaptation strategies that can help preserve yield and income in communities, sustaining the long-term viability of value chains, whether simple or complex, of smallholder farmers or big players, traders or transformers.

The programme is built around four levels of supplier and ingredient supply chain engagement. From active level where we share our Responsible Sourcing policy with all our suppliers and expect them to understand and adhere to the same, to Advanced level for the most progressive supply chains where we engage in collaborative field projects, it covers our full portfolio of spend spread across these four levels.

During 2023, we have further evolved our Advanced level concept with a full repository of all qualifying projects and a governance structure. Before being claimed as Advanced level, we now ensure that the concerned projects meet the requirements of the first three levels of the Sourcing4Good programme: Active, Engaged and Committed. With these enhanced criteria in place, we now have 52 projects in scope at the Advanced level of which 28 meet our defined criteria to be claimed as Advanced level.

At the Advanced level, we deliver projects with transformational impact, in areas spanning traceability, human rights, socio-environmental, economic resilience, biodiversity, regenerative agriculture, etc. Developed in collaboration with our customers, suppliers and external expert partners, these projects are shaped and delivered by an expert team of colleagues from across our business, including the Agronomy, Procurement, Responsible Sourcing company functions and the Givaudan Foundation.

Some examples of our Advanced level projects include responsible sourcing efforts in our Osmanthus-China and Palm-Indonesia supply chains and agronomy efforts in our Patchouli-Indonesia supply chain.

Stronger communities, sustainable business

Responding to both long-term and immediate needs within communities allows us to use our collective business expertise as a force for good, creating mutually beneficial relationships with economic, social and environmental opportunities to improve lives.

As we strive towards our ambition to improve the lives of millions of people in communities where we source and operate by 2030, we have chosen to extend the focus of our community projects and further build on our strengths.

Our efforts are focused on Sourcing4Good's Advanced level projects and our Agronomy programmes, but employee-driven projects led by Green Teams around the world and our employee driven Imagin8 innovation incubator are also critical to helping us meet our ambition, as is the work of the Givaudan Foundation.

Concretely, we will pursue carefully-designed flagship programmes focusing on economic resilience (from lifelong learning to economic prosperity) and health and wellbeing (from nutrition to water, sanitation and hygiene). They embody best practices across topics from regenerative agriculture and biodiversity to human rights, traceability, water sanitation and health (WASH), economic resilience, natural resources preservation and more.

One example is a regenerative guarana programme in Brazil. The first programme of its kind for Givaudan, we have worked together with suppliers to develop and implement a regenerative model farm to demonstrate environmental and economic benefits and scale up the transition towards regenerative techniques among farmers.

The guarana programme also serves as an example of how important agronomy is to Givaudan. Though we do not produce farming products, focusing on this area allows us to both support farmers and assure product quality. Projects targeting economic viability and innovative farming techniques help us support communities and ensure that agronomy stays closely connected with our business needs.

Our Agronomy team helps fuel performance and boost innovation by working together with farmers on additional varied projects such as developing varieties with increased levels of the active content, domesticating wild species to de-risk supply and increase availability, and relocating farming to new locations to mitigate the effects of climate change.

The team helps promote responsible farming practices such as proposing alternatives to pesticide use, getting engaged in the shift towards regenerative practices, and developing metrics to substantiate the benefits of various projects. We also leverage technology to implement a range of solutions along the value chain such as harvest mechanisation and processing, digital tools for traceability and quality control and upcycling opportunities in waste streams.

The Imagin8 programme, a social innovation incubator run by employees, has resulted in projects such as micro soap factories for entrepreneurship now being piloted in two areas in Brazil and a fragrance game for care homes residents being tested in the UK. Targeting both communities where we source and where we operate, Imagin8 helps provide innovative ways of reaching our communities goal.

Finally, we also have Green Teams, local groups made up of over 450 employee volunteers. They have the mission of creating a positive impact on the social, environmental, and economic spheres by encouraging local volunteer actions. Over the past ten years, more than 200 environmental, social and community-based initiatives and innovations have been created. For example, the Avignon site team initiated a unique and ambitious project to quantify and qualify the site and its surrounding green areas as a biodiversity sanctuary. From the France Green Team at our Argenteuil site, Givaudan colleagues come together to use their skills, imagination and enthusiasm to prepare sensory experiences around artistic works for the visually impaired.

Improving lives with the Givaudan Foundation

Established in 2013, the Givaudan Foundation is a non-profit organisation meant to initiate and support projects and grant donations to help build more secure futures for communities and their environments. It works across two pillars: communities where Givaudan sources natural ingredients and communities where Givaudan employees work.

In 2023, the Foundation ran 71 social and environmental projects in 32 countries that touch more than 120,260 beneficiaries, as well as their families and communities, and works with 65 partner organisations, to ensure projects are relevant and run efficiently. Since 2014, 1,922 Givaudan employees have actively participated in the Foundation's work as volunteers. The work of the Givaudan Foundation supports projects in livelihood and wellbeing. It also assists communities in preserving their natural resources.

Thriving together

We are closely monitoring outcomes of our activities in the communities we touch and measure the number of people impacted as we progress on our journey.

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, growing together with our customers and our suppliers, and living our purpose every day.

Workforce health, safety and wellbeing

Subtopics Workplace accidents and injuries / Occupational health concerns / Physical integrity / Security / Employee engagement / Mental health and wellbeing / Company culture / Job satisfaction

Explanation of the material topic

This material topic addresses the maintenance of a secure and healthy workplace environment, the fostering of responsible employee conduct, and the provision of essential tools and training to empower the workforce for optimal mental and physical wellbeing. This encompasses actively promoting a safe and secure working environment for all, avoiding workplace accidents and injuries, promoting mental health and wellbeing, cultivating an appropriate company culture, and enhancing job satisfaction.

Impacts

UPSTREAM | DOWNSTREAM

●●●● very high
●●● high
●● medium
● low
○ N/A

Risks & Opportunities

low | medium | high | very high

Management of the impacts

Ensuring workforce health, safety and wellbeing is an essential part of being a responsible company and employer. It also helps us manage the regulatory risks that might arise in the case of violations and the reputational risks linked to the potential spread of information about unsafe working conditions. Significant reputational risk is linked to the possibility of incidents being discussed publicly, which might negatively affect business relationships with customers. It is clear too that talent will not join or remain with the Company if their safety, health and wellbeing is not ensured.

Being renowned for safe working conditions on the other hand gives Givaudan an opportunity to attract new employees and the Company will benefit from increased efficiency if the workforce is healthy and safe.

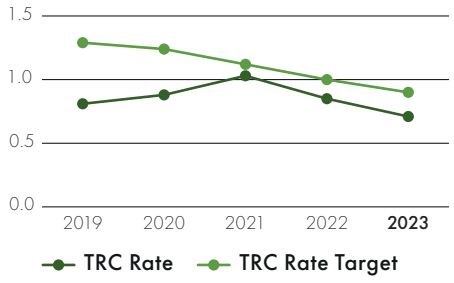
Occupational safety may be an issue in upstream industries during the process of raw material sourcing in countries such as India and China. In Givaudan's own operations, potential negative impacts are high because of the possibility of exposure to hazardous chemicals.

Givaudan's EC defines our EHS Policy and determines the organisational structures responsible for its implementation. A member of the EC is appointed to take responsibility for EHS as well as the Responsible Care Management System (RCMS). Givaudan's Corporate EHS function monitors policy implementation and submits policy proposals to the EC. Corporate EHS has the authority to translate the EHS Policy into processes that are mandatory throughout Givaudan – our Directives, Standards and Guidelines. These documents describe and define responsibilities and processes for all areas of the organisational structure.

More generally, we align with the ETI base code principles, and respect and adhere to all of these standards including those regarding working conditions, occupational health and safety, working hours, wages and rest time.

In this chapter, we detail our EHS activities and how we track their effectiveness. This includes occupational health and safety management systems, hazard identification, worker participation, risk assessment and incident investigation as well as occupational health services.

SAFETY PERFORMANCE – 'EVERYONE HOME SAFE EVERYDAY'



OUR PROGRESS ON SAFETY

	2018	2022	2023
Total Recordable Case Rate (TRCR)	1.33	0.85	0.71
TRCR Target	1.45	1	0.9
Number of TRCs	130	151	126

TRCR = the number of total recordable cases, per 100 employees, per year.

TOTAL RECORDABLE CASE RATE SINCE 2018
–47%

Occupational health and safety management system

Givaudan is committed to driving continuous improvement in EHS performance. This commitment is underlined by our RCMS, which provides the framework within which our EHS policy, procedures and daily activities operate. RCMS – structured around the International Council of Chemical Associations' Responsible Care® Global Charter, a voluntary commitment by the global chemical industry to strive towards excellence in EHS performance – is an established and successful initiative to improve performance in occupational health and safety. It builds on existing EHS policies and procedures, providing a coherent framework to bind them together. Our approach is also based on the International Chamber of Commerce's Business Charter for Sustainable Development as well as guidance from internationally recognised associations including IFRA, IOFI and International Organization for Standardization (ISO).

As a signatory to the Responsible Care® Global Charter, Givaudan commits to actively strengthening responsible care worldwide by dedicating its people, technologies and business practices to the charter's six elements: Corporate Leadership Culture; Safeguarding People and the Environment; Strengthening Chemicals Management Systems; Influencing Business Partners; Engaging Stakeholders and Contributing to Sustainability. The RCMS provides a solid framework for implementing this engagement on a day-to-day basis, driving continuous improvement and helping us achieve excellence in EHS performance throughout Givaudan.

All workplaces within Givaudan fall under the management system, whether used by Givaudan employees or not. With the growth of the Company through recent acquisitions, we are gradually bringing new businesses into the Givaudan EHS reporting system.

We look to mitigate any potential negative impacts with appropriate actions. Offering comprehensive safety and health programmes as well as tools and training to help our people achieve health and wellbeing creates positive outcomes in areas such as performance, productivity, job satisfaction, work participation and social inclusion.

We also ensure product stewardship and distribution safety, continuing efforts to ensure the safe use, security, transport, storage and disposal of everything (raw materials, intermediates and finished products) that we sell, produce and ship. Harmonising and optimising packages and labels according to industry association standards contributes to the mitigation of potential risks and ensures the safety and health of people and of the environment.

A potential negative impact is that people could be injured by our operations. However, we actively promote a caring culture across our Company to ensure the safety and health of all people. We are committed to working together to prevent incidents through our EHS management system and by nurturing a positive safety and health culture in our Company. Increased operating costs due to a rise in the number of lost days is another possible negative impact. By implementing an effective safety and health management system we reduce injuries and illnesses as well as the cost associated with such incidents. These costs can include workers' compensation payments, medical expenses, lost productivity, and disruption in supply.

Hazard identification, risk assessment, and incident investigation

Our management system includes Process Risk Analysis, which aims to identify the risks associated with chemical and non-chemical processes and to limit them to a tolerable level.

The approach is meant to ensure the protection of employees, visitors, contractors and the surrounding neighbourhood from health hazards associated with work or the working environment. It also protects the safety of operations by preventing incidents that might harm people, the community or the environment, damage property or jeopardise Givaudan's reputation and goodwill. This process has been rolled out in all regions and is complemented by risk portfolios for each site.

The risk portfolio is an EHS management tool that serves to identify the main risks on manufacturing sites, helping to define which control measures need to be implemented to manage them. All manufacturing sites are required to have up-to-date risk portfolios covering issues including fire, explosion, process safety, occupational health, etc. The risk portfolio, first introduced in 2018, has proven to be an effective EHS management tool.

Givaudan's company and site managers are responsible for safety, health and environmental protection in all areas under their control. They have the authority to establish local EHS organisational structures and to allocate responsibilities and resources as required to support the local organisation. The individuals responsible for EHS at each site are clearly identified. Site management also has the authority to introduce local standards and guidelines to ensure compliance with local laws and regulations. Company managers and/or site managers are fully supported by Givaudan's group and divisional management.

More generally, Givaudan's health and safety directives require that all Givaudan sites carry out adequate periodic assessment of risks and control measures within the workplace. These reviews, led by an EHS professional trained in the execution of workplace assessments, serve to give a comprehensive and valid judgement regarding the protection level of occupational health and safety accomplished at the workplace. It documents the protection status attained and whether or not control measures are adequate. The standard is valid for all workplaces within Givaudan worldwide and other sites operated under the Company's responsibility. Joint ventures and toll manufacturers may also be subject to this standard, when agreed by both parties.

The review team draws conclusions, discusses appropriate control measures, and determines objectives and deadlines for any foreseen remedies. Where control is judged as being inadequate or when not enough information is available, workplace assessment must identify ways of correcting the situation. We document all information and facts gathered in the course of the assessments.

Internal audits ensure that sites apply our EHS management system. The internal audits take place in a five-year cycle to cover all our sites. The second five-year planned cycle started with 6 audits in 2022, and another 12 sites were audited in 2023.

In 2023, we also started monitoring progress on improvements as a result of the audit recommendations. Audit baseline scores are established after each site audit and yearly continuous improvement is tracked against the site improvement plans. Results are presented to the Taste & Wellbeing Operations Leadership team every month to provide transparency of progress and to have joint accountability. In 2024, we aim to present the results to the Fragrance & Beauty Operations Leadership Team regularly.

The external audit programme from our insurers (Zurich) has also restarted and the programme scope has been reviewed to incorporate acquisitions and new sites.

We continue to successfully drive EHS contacts – quality conversations correcting environment, health and safety issues and reinforcing good safety behaviour – with over 59,800 in 2023.

Risk analyses are to be reviewed whenever relevant changes, identified by our Management of Change (MOC) standard, are made; at an interval dictated by local law or regulations (e.g., US Process Safety Management); or at least every five years, though longer revision times may be obtained with the formal agreement of global EHS.

Every Givaudan employee is required to take reasonable care in the workplace for their own health and safety, and for that of others. Employees are empowered to challenge any situation they believe to be dangerous and are encouraged to report unsafe conditions and activities. Employees may report to supervisors, site EHS or global EHS. The EHS reporting system can be found on multiple platforms, including our intranet, via SAP, via apps for mobile phones and tablets. Reports can also be filed online or offline using a form, or via the compliance helpline to report in full confidence either by phone or by web in all Company languages. We do not tolerate retaliation, as is stated in our principles of conduct.

All incidents or non-compliances are reported, recorded and investigated to establish the causes. Corrective action in keeping with the magnitude of the problem and its potential effect is then taken to eliminate the specific cause. Any necessary changes to processes or working practices are implemented, checked and recorded in documented procedures and then reviewed for effectiveness.

Our approach to incident investigation is based on root cause analysis, a process that is supported by the EHS managers certified in L3 and L4 Problem Solving with support from our Continuous Improvement function at Givaudan. This approach includes gathering facts, performing an investigation, identifying immediate and root causes and building an action plan based on the hierarchy of controls. We then validate the report with relevant peer review and clearly assigned accountability in terms of implementing control measures. This process is executed in close collaboration with, and guidance from, our colleagues in the Continuous Improvement department.

Relevant global experts are part of the investigation team for certain events. Their role is to ensure adequate learning, consistency and the proper sharing of what has been learnt at site, regional and global levels, when required. These learnings are also used to improve occupational health and process safety programmes, and are shared with the relevant expert networks. Important findings are shared with all sites and are captured in our Global Electronic Problem Solving database. This database, originally designed as a quality control tool, was enhanced for EHS data and implemented in 2023. In addition, KPIs are created for incident investigations, incident investigation completion and corrective action tracking.

Occupational health services

Our Occupational Health Programme is based on the pillars of Health Surveillance, Hazard Recognition, Hazard Management, Hazard Assessment and Workplace Controls. A three-year implementation plan based on the 'plan-do-check-act' approach – an iterative management method used for the control and continuous improvement of processes and products – has involved site preparation, training and implementation support for occupational health programmes on ergonomics and exposure control.

The chemical exposure control programme helps us better protect our people. It is based on new tools for workplace assessment, including hazard and control banding, that help determine the limit of exposure for each chemical and facilitate the development of engineering or other techniques to lessen such exposure. Since its inception in 2015, the programme has been rolled out to 52 production sites and will continue in 2024.

The Global Ergonomics project that kicked off in Q4 2023, focuses on the use and expansion of digital tools and the implementation of engineering controls to reduce ergonomic associated risks and incidents. The project expands on an ergonomic initiative first introduced in 2015.

Use of the Velocity EHS Industrial Ergonomics Software allows sites to focus on assessing activities and identifying ergonomic risks with the aim of improving performance and reducing risk in the different workplaces. A total of 270 ergonomic assessments were entered in the software at 38 production sites in 2023. Additionally, we held two virtual workshops in Q4 with a total of 31 employees being trained in industrial ergonomics assessment.

We also continued with the implementation of the SoterAnalytics program in NOAM sites and trials in other regions. The SoterAnalytics programme is based on wearable devices that coach employees in manual handling techniques to improve physical wellbeing in the workplace. The programme has been used in 12 sites globally, with 57 employees completing the training, 166 active users and a total hazardous movement reduction of 45.4% for employees with high spine and shoulder risk. This programme will be rolled out globally over the next five years.

The implementation of the Velocity EHS Office Ergonomics software provides all Givaudan employees with a training module and platform to perform self-assessments of individual computer workstations. These self-assessments result in recommendations for correct workplace set-up and office habits that help in the prevention of musculoskeletal disorders. In 2023, more than 280 employees completed the e-learning course and about 420 self-assessments were entered throughout the year. Since the programme launched in 2020, more than 4,040 employees have completed the e-learning course, entering a total of 4,741 self-assessments. Implementation and reinforcement will continue in 2024.

Worker participation, consultation and communication on occupational health and safety

Each Givaudan site must have an EHS Committee (SEC). Convened regularly, it governs and provides a forum for exchange on EHS topics relevant to the site. The members of the SEC represent all site activities and perform high-level reviews of EHS requirements, assess options, costs and consequences of potential measures and decide on measures and activities to be taken to improve EHS performance where required or recommended.

The committee must meet at least once a quarter and should be made up of the site head as the Chair and the EHS manager as the secretary. Other members must be composed of other relevant site functions such as the production manager, engineering manager and other employee representatives that are either appointed or elected, depending on local law. In some countries including France, Germany and the UK in the Europe, Africa and Middle East region, for example, the works council or a dedicated team of works council members (delegated by the

trade unions) needs to be informed. In other countries such as Hungary and India, the safety committee is represented by company/site manager, representatives from line management, representatives from the works council, and other production and non-production employees. Similar legal requirements exist in some countries in the APAC region. In Indonesia, for example, having an EHS Committee Team is a legal requirement. This Committee Team consists of representatives from each department and meets monthly. In Malaysia, and as required by law for every workplace with more than 40 employees, we have a Safety & Health Committee in Melaka and for the GBS office. The committee involves employer representatives and employees from different departments.

Communication

Lines of communication are defined, internally and externally, to ensure a good flow of information within the organisation and to communicate necessary information on occupational health and safety.

Internal communication processes are established and maintained throughout the organisational structures. Programmes are in place to enable employees to ask questions about the organisation, express opinions and stimulate a dialogue while addressing concerns and sharing information. Knowledge-sharing with peers, internally and externally at all levels, is essential to our success and is actively supported and promoted.

Decisions, actions and outcomes of any and all reviews are recorded and communicated to all stakeholders involved or affected by the review or incident and, where required, regulatory and/or legal bodies are informed.

Worker training on occupational health and safety

Our goal at Givaudan is to eliminate accidents and get everyone home safe every day. We engage our employees in actively contributing to this target through awareness campaigns and specific training programmes and look to ingrain these reflexes into our culture. Overall, our programmes help embed a culture of health and safety at work and at home, and include workshops, awareness campaigns and engagement events.

Our EHS facilitators play a key role in engaging their peers through hazard awareness, risk reduction and toolbox talks. We have 294 EHS facilitators worldwide contribute towards enabling a positive EHS culture at our sites. In 2023, we reviewed and optimised the training programme, with a total of 54 new EHS facilitators being trained in China, Switzerland, Hungary, UK and India. Two additional colleagues have also been accredited to deliver the facilitator course.

Employees are also trained in all of the relevant EHS standards and we ensure that people are able to perform according to these standards. Our approaches include safety leadership training for line managers and a set of Safety Ground Rules. Every location receives a yearly pre-defined local safety target that is aligned with and contributes to the global objective in accident reduction.

Our EHS Excellence Programme aims to develop the EHS culture across Givaudan. The programme consists of in-depth surveys that assess the current safety culture on a site, the definition of mitigating actions and the execution of action planning. In 2023, we covered Guangzhou (China), San Martín, Pedro Escobedo & Cuernavaca (Mexico) and Dortmund (Germany). We have also been working on a review of the delivery model of the programme and ran the pilot for the updated programme in Makó, Hungary, with solid results. We will run the programme with the revised delivery model from 2024.

Overall, our EHS mission goes beyond rules and processes by aiming to empower all employees to take shared responsibility. Our goal is to embed this EHS mindset in the daily activities of all employees so it becomes second nature. Safety underlies everything we do and we are now building on our commitments with two recently introduced purpose goals – before 2025, we will reduce our total recordable case rate by 50% and ensure access to mental and physical health initiatives, tools and training for everyone on our sites.

In terms of specific programmes, the EHS group this year continued its global fire safety campaign. Fire represents a threat to our people, assets and business, and the campaign was launched to improve employee awareness of fire safety and to minimise risks. The aim is to build a proactive, preventative fire safety culture and to fill any technical gaps in fire prevention measures. In 2023, we performed the static electricity campaign and we continue with the classification of hazard areas. We have made CAPEX investments in fire safety projects across the regions and plan to continue with the Electrical & Mechanical Ignition Prevention campaign in 2024.

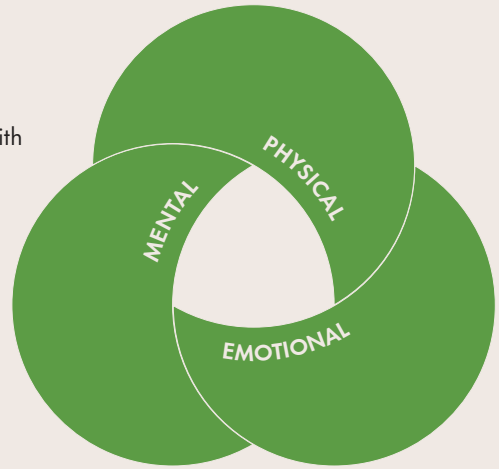
Finally, for employees linked to contract work, both the contracted party and Givaudan must be fully aware of and prepared for associated hazards. Contractors are required to demonstrate a full understanding of the job/task/activities being performed and have a system to understand and control the risks in place. We instruct contractors in site policies and procedures and mandatory Contractor Safety Orientation/Training is performed before they are allowed on site. Refresher training is performed annually. Training content is tailored according to the assessed risk level and can range from basic safety guidelines to topics such as hazardous energy isolation. Training is currently provided on a site-by-site basis.

Our approach to a Happier + Healthier Givaudan

OUR HEALTH & WELLBEING THEMES AND ACTIONS

Standards
Provide access to physical and mental health and wellbeing support, aligned with a global minimum standard

Healthy ways of working
Ensure that our processes, governance and structures are designed in line with positive wellbeing outcomes



Behaviours & accountability
Provide the tools, training and support to grow the confidence and capability on personal and team wellbeing actions and behaviours

Communications & engagement
Embed health and wellbeing topics into our everyday dialogue

Access to mental and physical health initiatives, tools and training

The changing and uncertain environment in terms of COVID-19, inflation, the energy and the geopolitical crisis have put a lot of pressure on employees individually and collectively. This can have a negative impact on health, as well as emotional and mental wellbeing, already threatened by the increased stress and uncertainty over the last three years as we have had to navigate different ways of working and living.

We address this through our people ambition, which focuses on improving how we care for our people and ensuring that everyone on our sites has access to mental and physical health initiatives, tools and training.

Our approach to health and wellbeing, Happier + Healthier Givaudan (overview portrayed on the previous page), defines how we improve our care for all our people. It is about helping them to be their best and fostering the energy and resilience they need to do great work.

We've prioritised three areas of action in our wellbeing strategy:
1. Wellbeing standards
2. Wellbeing behaviours
3. Healthy ways of working

In 2023, we continued advancing our progress in our approach to a Happier + Healthier Givaudan, discussed in detail below.

1. Wellbeing standards

Providing a minimum standard of wellbeing support to all of our colleagues

An assessment of health and wellbeing standards was carried out across Givaudan sites in 2022. These standards provide an important framework to enable us to encourage local accountability for employee health and wellbeing, to invest our resources in the right topics and to prioritise actions and track improvements.

In 2023, we introduced the Workplace Wellbeing Standards and have set our baseline at 82%[1]. Our baseline for our Wellbeing Key Performance Indicator has been calculated using the following data:
- % of sites with wellbeing programmes in place
- % sites with access to an employee assistance programme
- % tracking and reporting workplace wellbeing metrics.

Workplace wellbeing standards

All sites offer on-site health and wellbeing programmes, activities and initiatives

Employees and their families have access to an Employee Assistance Programme (EAP)

Management report and track progress on key wellbeing metrics

This key performance indicator will be tracked annually and along with dedicated Wellbeing Leads (specially selected employees) will now help drive the implementation and improvements of the standards.

One example is the Mental Health First Aider programme, which now includes 135 trained Mental Health First Aiders. They are active across some of our biggest sites and have also been trained on how best to use our Employee Assistance Programme (EAP).

We continue to actively promote the EAP, which can be used by employees and their families to receive professional, confidential advice and support when facing work, health or life issues.

In 2024, we will work with our Wellbeing Leads to build on the baseline, to improve how we care for all our people, while also identifying gaps across our locations, including ensuring that all of our sites have a wellbeing policy in place.

1. of sites with more than 20 employees and who participated in the 2023 data collection excercise. This is now the baseline percentage.

2. Wellbeing behaviours

Equipping people with tools, training and support to exhibit healthier personal and team wellbeing behaviours

We want all our colleagues to feel cared for and know that their wellbeing is important. This is why, as an organisation, we need to continue to build our company culture to celebrate healthy behaviours. In 2023, we developed a range of toolkits that are available to all of our teams to help build understanding, knowledge and personal habits around wellbeing behaviours. 'Building a habit of gratitude' and 'Setting healthy boundaries' are two examples.

3. Healthy ways of working

Ensuring that 'the ways that we do things around here' are designed in line with positive wellbeing outcomes

It is important that we limit any negative impact on people's wellbeing at work. We continue to review our processes, governance and ways of working to ensure that we can evaluate the impact and make improvements wherever possible. As our teams and sites perform their work differently, much of this demands specific actions and interventions. As an example, our HR functions have been running workshops to identify process efficiencies and reduce approval steps in order to reduce workload. In our sites in Japan, we are currently trialling a policy of having a full day with no internal meetings once a month.

More generally, we review our employee benefits every year to see whether they are in line with the market. In doing this, we first consider local social programmes and then build on them with specific Company benefit plans. For instance, in many countries (e.g., USA, UK, Singapore, France, Indonesia, Malaysia and Hungary), we provide Company health plans in addition to basic government health plans. This is our overall approach to facilitating access to medical services and care on a social and complementary health basis, thereby promoting worker health.

Employee engagement

We do regular employee engagement surveys which offers us a concrete way to measure our progress and prioritise where we need to focus our improvements.

Our latest survey in 2023 had a good 80% response rate. Results show a strong pride in Givaudan, that we have in place solid team and direct manager relationships. Results also show safety is a strong positive point and is seen as a priority at Givaudan.

To measure our progress on our goal to be leading employers for inclusion, the 2023 employee engagement survey measured employees' perceptions of inclusion. The result of 74% provides valuable insights into our organisation's inclusivity and serves as a baseline, and a key performance indicator guiding us in taking appropriate actions for long-term improvement.

Initiatives will be created in 2024 and beyond aimed at the areas employees felt we needed to improve on in the areas of career opportunities and how we approach and communicate decisions and wellbeing. We have already seen local action planning from wellbeing initiatives, career development workshops in North America and Middle East Maghreb, to inclusive action planning in India and South Africa.

Our regular engagement surveys will enable us to highlight and celebrate what is working well, prioritise where we need to focus our improvements and seek ideas about how we can innovate and improve our work environment.

Work-related injuries

In helping us to meet our ambition to reduce our total recordable case rate (TRCR) by 50% before 2025 compared to the 2018 baseline, we are expanding our focus to take into account all medical cases. 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 decreased relative to the previous year thanks to an efficient EHS integration of the acquired companies and an overall culture improvement fostered by our behavioural safety programme HOP. In addition, we have listed some of our sites as focus sites to provide additional support and tracking to manage the total recordable case rates. This approach has already resulted in one-third of our focus sites having zero total recordable cases in the past 12 months. We are well on track to reaching our target of 50% before 2025, having achieved –47% by 2023.

Work-related ill health

We have a number of measures for helping our employees avoid work-related ill health. The exposure control programme helps find the limit of exposure for each chemical and facilitate the development of engineering or other techniques to lessen it. We have been extending industrial and office ergonomics initiatives as described above. Such measures allow us to reduce incidents and improve the long-term health and wellbeing of all employees.

Givaudan does not have an illness reporting system for occupational diseases that covers all group and external employees.

Prevention and mitigation of occupational health and safety impacts directly linked by business relationships

We look to prevent and mitigate occupational health and safety impacts linked by business relationships through a number of approaches. We ask, for example, certain suppliers to carry out an audit – the Sedex Members Ethical Trade Audit (SMETA) – as validation of their commitment to our key responsible sourcing pillar of health and safety.

The Chemicals Management & Compliance CoE has a process in place to periodically review Safety Data Sheets (SDS) and Labels to anticipate regulatory changes and ensure compliance to EHS regulations worldwide. There is also a continuous effort to incorporate industry best practices and additional information critical to a best-in-class EHS management.

We also continuously review the labelling of our ingredients and products in relation to EHS legal requirements and industry sector standards. One of these key standards is the IFRA-IOFI labelling manual, which is a coordinated effort of the Fragrance and Flavour industry sector and results from an annual review of the Globally Harmonized System (GHS) classification and labelling information of our ingredients, covering both synthetics and natural complex substances. The effective management of the GHS classification changes and the implementation of required EHS control measures are particularly important for protecting our people and our place. In 2023, we rolled out globally a significant improvement in our hazard communication process related to the management of classification changes with higher impact on health and the environment. All our sites now have access to additional EHS tools that provide a comprehensive checklist to identify the relevant GHS classification changes and the related risk management measures required to mitigate their impact.

The Product Stewardship Team also reviews Safety Data Sheets (SDS) and is continuously improving this documentation in relation to industry association standards, new regulations or additional information. The SDS mainly provide information on chemical identity and physical/chemical properties; hazards for health, safety, environment; preventive and emergency response measures, disposal instructions as well as medical advice. SDS of raw materials are provided to our employees, while those of finished goods are supplied to our customers.

Diversity, equity and inclusion

Subtopics Anti-discrimination and harassment / Equal opportunities / Equality and equity / Minorities / Fairness / Freedom of thought and expression / Diversity in governance and senior leadership

Explanation of the material topic

Our material topic of diversity, equity and inclusion encompasses cultivating an inclusive environment that embraces diversity and is free of biases, enabling everyone to thrive regardless of gender, nationality, religion, ethnicity, age, ideology, disability, sexual orientation, or identity. This comprises combatting discrimination and harassment, advocating for equality, equity, and fairness, providing equal opportunities, addressing minority concerns, and ensuring freedom of thought and expression to enhance workforce diversity.

Impacts

UPSTREAM ●● | G ●●● | DOWNSTREAM ●●

●●●● very high
●●● high
●● medium
● low
○ N/A

Risks & Opportunities

low | medium | high | very high

Management of the impacts

Cultivating an inclusive environment that embraces diversity and is free of biases is not only the fair and equitable thing to do, it is critical to driving the success of a company that relies on innovation and creativity. Employees who are treated with equity and respected as the unique people they are perform better, are more focused and thrive in their work. A diversity of perspectives from people who feel free to share their points of view and experience leads to better creations for our wide range of customers representing global, local or regional brands, for example, and a variety of market segments. It is essential for us to mirror the diversity of clients, to appreciate and understand the differences, and recreate them in our own workforce to meet such varied demand. For us, inclusion is synonymous with innovation and creativity, and fosters closer connections with our employees, customers and partners.

While Givaudan has always been diverse in terms of the nationalities, ethnicities and cultures represented by our employees – and also thanks to our rich history of acquisitions – it is critical to ensure inclusivity. The combination of diversity, equity and inclusion results in numerous benefits.

This is why we have placed such emphasis on our goal of being among the leading companies in inclusion before 2025. Focussing on inclusivity will also help us give additional impetus to the pursuit of two diversity goals: our aim is that before 2030, 50% of our senior leaders will be women and that 50% of leaders will be from high growth markets. While we have made progress on these targets, with 28%, we recognise the need to accelerate our actions and move the needle on progress towards our goals. We are confident that emphasising inclusive leadership will help support them.

Neglecting DE&I considerations would not only be unfair, it would lead to loss of employee engagement, a reduced ability to attract talent and, ultimately, negatively affect our capacity to create innovative products.

Our Diversity Position Statement outlines our commitment to ensuring a representative workforce that reflects the diverse communities in which we operate.

We assess and review the statistics of our workforce, tracking progress, particularly in relation to gender and nationality, including, as mentioned above, the percentage of women and high growth market nationalities in leadership positions. Turnover is also monitored very closely at Givaudan because it is important to better understand how we can develop and retain our people.

This year, we joined the Leading Executives Advancing Diversity (LEAD) Network of more than 200 manufacturers and 100 retailers to share practices on advancing women and transforming business. This gives us access to a network of companies from our industry for concrete benchmarking and exchange of ideas, as well as to educational programmes. We are also actively participating in the LEAD CEO roundtable.

In 2023, we have otherwise concentrated on three focus areas to bolster DE&I. The first involves building capability and raising awareness, the second on supporting our actions related to women in high growth market representation in senior leadership, and the third on doing what we can to support and promote local actions throughout our business.

Our capacity building efforts have focused on training. We have piloted inclusive leadership training for Executive Committee (EC) members and their teams. Based on an assessment, workshop, individual coaching sessions, and final reassessment, the programme stretches over several months and will be rolled out to all EC members and their teams next year. This will ensure that our leadership gets all the tools it needs to become more inclusive leaders.

For 2024, we aim to expand inclusive leadership training to our middle management. The format, while less intensive than that provided to EC members, will ensure that they are also well equipped.

In December, we launched an e-learning module on unconscious bias in nine languages to help all employees better understand the attitudes that might prevent inclusion. This helps people become more self-aware in terms of unconscious bias, and bolsters material available in our e-learning catalogue.

We continue to offer our facilitated workshop "Disrupt the Bias: Making Our Workplace More Inclusive" for interested parties.

Meanwhile, the work of raising awareness is largely tied to communication and ensuring that the topic is addressed by senior leaders. CEO Gilles Andrier, for example, shared our vision in a speech entitled 'The Power of Purpose: Advancing Women in Senior Leadership' during the LEAD Network conference 2023 in Düsseldorf. We have increased communication on various inclusion themes on social media channels as well as internally. It is important that all of our leaders understand what diversity, equity and inclusion really refer to and know that it is a critical subject for leadership. An internal campaign launched in December served to inform employees about our DE&I activities.

In 2023, we established our Inclusion Index, which we are using to track progress against our goal of being rated amongst the leading employers for inclusion globally. Our colleagues are best placed to rate us on inclusion, and by asking them about aspects of inclusion and diversity annually, we can identify our improvement as well as our gaps. We are currently at 74%. While our focus is on improving our internal index score, we also continue to monitor our score against external benchmarks.

In addition to this focus on inclusion, we are continuing to work on improving the representation of women and high growth market leaders in senior positions. We have been examining our HR processes, particularly in terms of talent management, and scrutinising how we manage equity and support underrepresented employees and identities in senior management. We have continued mentoring and coaching our talent, particularly with the younger generation and women. This year we initiated a new, bottom-up approach called 'Women in Leadership'. During three workshops, we asked about 50 women leaders what they would need to progress their careers at Givaudan. We are now working on translating the ideas generated into impactful initiatives.

We continued building on DE&I actions in 2023, with many local events taking place at Givaudan sites around the world, such as the Pride Walk in New York. These local activities are extremely important because they most directly impact the day-to-day experience of our employees. Though there are already many events, there are sites where there is little activity. To address this, we are looking to develop a community of practice with a tool box to drive the local agenda more consistently across our global sites.

Information on employees and other workers

GIVAUDAN EMPLOYEES

	2023	2022
Total FTE employees	16,263	16,676
Total head count	14,740	15,119
Women	5,943	6,031
Men	8,797	9,088
New hires	1,530	1,883
Women	649	762
Men	881	1,121
Turnover rate	13%	12%
Women	12%	12%
Men	13%	12%

DATA DISCLOSURES
Social performance indicators › **pp82–84**

Non-discrimination

We aim to eliminate all discrimination, and to be a company that compensates men, women and people from all backgrounds equally. We are committed to providing and contributing to a work environment that is based on mutual respect among people and is free from harassment.

Our Principles of Conduct state that it is our policy to recruit, employ and promote people solely on the basis of the qualifications and abilities needed for the work to be performed without regard to race, age, gender, national origin or any other non-relevant category.

Issues related to gender bias or discrimination are raised through compliance and matters or questions on diversity and inclusion are managed through Human Resources. Complex issues that could have a legal risk or in terms of external reputation are escalated to global HR leadership.

Employees are expected to comply with all local laws against discrimination, but our ethical values go beyond legal requirements. All our employees have a responsibility to support and promote our Principles of Conduct. Diversity in the workplace is respected and harassment and abuse are not tolerated. We take all allegations very seriously and conduct appropriate investigations. This process is managed locally in all locations Givaudan operates. The numbers of incidences are not captured globally.

We also look beyond our own workforce: our Responsible Sourcing policy calls on suppliers to treat all their employees with respect and dignity.

Equal pay

Fair and competitive compensation is essential to attract, motivate and retain the best talent in the industry. We pay fair wages in line with acceptable local legal standards and the Ethical Trading Initiative (ETI) Base Code, and carry out regular wage benchmarking exercises in geographies where we operate.

Our remuneration policy is based on the principles of pay for performance, external competitiveness, internal consistency and fairness.

This supports the empowerment of women and the associated economic growth and development of societies. Every year, we conduct studies in each of our key markets where we operate to monitor gender pay equity, identify any outstanding pay gaps and ensure that they are promptly addressed. These studies are conducted according to the methodology of the Swiss Federal Office for Gender Equality with a view to ensuring equal pay for equal responsibilities.

For the Givaudan Group globally, the average base salary difference between men and women is 1.9% for equivalent roles and skill sets. For total cash compensation (fixed and variable pay) the difference is 2.0%.

After seeking and obtaining equal pay certification for all sites in Switzerland in 2021, we have since added eight more country certifications – in Spain, Mexico, Singapore, Argentina, France, Hungary, the Netherlands and the U.S. – meaning we now cover 62% of our employee population. We are continuing our country-level analysis globally and seek to certify equal pay through the external body Comp-ON AG. After validation and analysis, the results will be documented in a report and audited. Any gaps will be addressed and reviewed.

With our commitment to an empowered workforce comes a commitment that all employees are paid at least – and in most cases well above – the minimum salary stipulated by law or collective agreements. In all cases, wages are managed locally with global oversight to ensure competitive and equitable practices.

Parental leave

We currently have an enhanced parental leave policy in the USA. Under this policy, new parents receive six weeks of paid leave in addition to the six weeks provided to birth mothers through the basic pregnancy disability benefits.

We are looking into various options that could support and promote wellbeing for working parents. One path we are investigating is a global parental leave framework that will define minimum standards to be applied across our Company to support employees as new parents.

In addition, within our global flexible working framework, employees have the option to pursue flexible working arrangements in line with the local rules and guidelines.

Stakeholder engagement and key partnerships

Approach to meaningful stakeholder engagement

Actively listening to and engaging with our diverse stakeholders is a core element in our ways of doing business. This approach fosters trust and transparency, helping us to understand external developments, market expectations and potential opportunities and risks.

Working systematically with interested parties and evaluating their perspectives on economic, social, environmental, ethical, human rights and governance impacts allows us to better address their concerns and manage the direct or indirect impact on Givaudan. This strategic management approach is a powerful tool for building enduring relationships with key stakeholders, preventing or mitigating negative impacts, and ensuring overall business success. By prioritising value creation for all stakeholders, including employees, customers, and the broader community, we foster a sustainable business model that aligns success with the well-being of the entire ecosystem.

In 2023, for the first time, we introduced a double materiality assessment, a comprehensive framework allowing us to evaluate and disclose environmental, social, and governance (ESG) impacts and risks. It goes beyond the traditional approach in considering outward-looking impacts such as those on the environment, society, and the economy as well as inward-looking risks and opportunities related to sustainability. We must align our business performance with the expectations of our stakeholders and society at large – the double materiality assessment provides a profound understanding of the most relevant topics for different stakeholders.

All stakeholders, internal and external, representing the various categories in our value chain, were critical in conducting the double materiality assessment. After being provided with a long list of sustainability-related topics, they were asked to identify significant impacts, risks, and opportunities for Givaudan. The process, which confirmed the outcomes of our own impact assessment, gave stakeholders a genuine role in setting the direction of our ESG approach and prioritising issues.

More generally, and on a regular basis, we gather the views of our stakeholders by inviting them to discuss critical issues and strategic priorities. We create dialogue groups to understand how our business affects stakeholders and to determine the most significant impacts to be managed.

Givaudan has many channels for engaging in stakeholder dialogue spread across different departments and teams; this also includes the information and feedback we receive during the ordinary course of business.

Identifying and selecting stakeholders

Givaudan has developed specific tools to support interaction with the various stakeholder panels at both global and local levels. We also review and evaluate diverse stakeholder engagement initiatives existing across the Company and continuously monitor their relevance in a two-stage process.

First, we map each direct engagement with an external organisation by considering its relevance to several areas including our stakeholder groups; the key issues regarding our material topics; our initiatives in sourcing, innovation and environment, and the Sustainable Development Goals on which we have an impact. Then we look at every current or potential external engagement and assess it against several criteria: local or global engagement; membership criteria and membership fees; participating customers and suppliers; participating competitors; participant profiles; type of sessions; size of groups; impact on our sustainability approach; risks and benefits. Based on the outcome, we decide whether to pursue a current engagement or seek opportunities with new organisations. We then suggest actions to be taken within the engagement for the next three years.

The engagement channels as well as key topics and concerns raised per stakeholder group are listed on the following pages.

Protecting stakeholders

In stakeholder engagement, Givaudan is dedicated to building trust through transparency and ethical practices. Our Principles of Conduct sets clear principles of integrity, respect, and responsibility. Supported by a comprehensive governance framework, including regularly updated policies and our Human Rights Policy, we ensure responsible and sustainable practices.

Open communication is our priority, encouraging feedback to address concerns promptly. Our employees undergo rigorous training on data security, anti-discrimination, and confidentiality, fostering a culture of trust in every interaction.

External audits validate our commitment, assuring stakeholders of our adherence to ethical standards. As the business landscape evolves, our approach remains adaptable, consistently reinforcing earned trust through transparent and responsible practices.

Stakeholder dialogue

Why we engage	How we engage	Key topics and concerns discussed
CUSTOMERS Strong engagement with our customers enables us to understand their needs and anticipate market trends. Preference discovery platforms and consumer insight programmes allow us to understand and predict consumer preferences and adapt to cultural tastes. We protect our customers by ensuring product quality and safety and through our compliance with applicable laws, regulations, and policies.	› Customer sustainability requests › Audits › Customer innovation days › Customer and industry conferences and events › Key account manager relationships – ongoing dialogue › Use of consumer insight programmes for consumer understanding, cultural insights and sensorial decoding › Leveraging digital capabilities to enhance insights in consumer trends	› Climate change › Consumer health and wellbeing › Governance and business conduct, ethics, transparency › Human rights › Innovation capabilities › Product/ingredient environmental and social performance › Product quality and safety › Responsible sourcing and traceability
SUPPLIERS Our suppliers are genuine partners, and we work with them towards mutual value creation: open dialogue secures a pipeline of technological knowledge through supplier-enabled innovation; supplier engagement and collaboration ensure our suppliers have high standards in business ethics and respect for people and the environment. We protect them through active collaboration and by staying compliant with rapidly changing regulatory requirements. Our collaboration allows them to strengthen their innovation approach and contributes to the achievement of their own targets.	› Assessments › Supplier audits › Collaborations to improve performance › Multi-stakeholder groups › Supplier events: capacity building, discussing issues › Direct engagement with supplier relationship managers	› Climate change › Plastics › Human rights › Innovation capabilities › Raw material availability › Responsible sourcing and traceability
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 protect employees against reprisals and other negative impacts on their rights such as providing protection against intimidation, threats, or acts that could have a negative impact on their employment or work engagement, including termination, demotion, loss of compensation, discipline, and any other unfavourable treatment. We cannot achieve our goals without a true sense of unity and a workplace where we all love to be and grow.	› Provide policies and process to provide protection against a negative impact on their employment or work engagement › Works Council consultations › Employee engagement survey › Annual performance dialogue › Talent management processes › Learning and development opportunities › Ongoing dialogue with Givaudan Green Teams	› Climate change › Diversity, equity and inclusion › People development › Employee health, safety and wellness › Governance and business conduct, ethics, transparency › Human rights › Innovation capabilities

continued on page 64

STAKEHOLDER DIALOGUE continued from page 63

Why we engage	How we engage	Key topics and concerns discussed
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. Providing comprehensive and timely information helps us protect investors and shareholders by facilitating their decision-making process. It also contributes to secure, transparent and enduring relationships.	› Annual General Meeting › Annual investor conferences and investor roadshows › Briefings with sell-side analysts › Conferences including ESG-focused ones with investors and other financial stakeholders	› Climate change › Diversity, equity and inclusion › People development › Economic performance › ESG management › Governance and business conduct, ethics, transparency › Innovation capabilities › Raw material availability
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 survey › Local site community engagement programme › 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	› Biodiversity › Climate change › Diversity, equity and inclusion › People development › Governance and business conduct, ethics, transparency › Human rights › Local community development › Product/ingredient environmental and social performance › Responsible sourcing and traceability
PUBLIC AND REGULATORY AGENCIES Engagement and collective action with external partners are 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 both the changes and their concerns, and find mutually beneficial solutions.	Amongst those we engage with: › United Nations Global compact › International Fragrance Association (IFRA) › International Organization of the Flavor Industry (IOFI) › WBCSD › AIM-PROGRESS › CDP › EcoVadis › Renewable Carbon Initiative (RCI) › Together for Sustainability (TfS)	› Climate change › Governance and business conduct, ethics, transparency › Human rights › Product/ingredient environmental and social performance › Product quality and safety › Responsible sourcing and traceability

continued on page 65

STAKEHOLDER DIALOGUE continued from page 64

Why we engage	How we engage	Key topics and concerns discussed
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. We support innovators and partners by giving them access to expertise and industry knowledge, and by sharing best practices. Sharing resources allows us to help them accelerate innovation and contribute to the success of their projects. This extensive collaboration leads to mutual growth.	› 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	› Climate change › Consumer health and wellbeing › Innovation capabilities › Product/ingredient environmental and social performance › Product quality and safety

Human rights

67 Human rights and labour conditions

Human rights and labour conditions

Subtopics Working hours / Wages and benefits / Freedom of association and collective bargaining / Working conditions / Land rights / Child labour, forced labour, human trafficking, and modern forms of slavery / Access to water, sanitation and hygiene (WASH) and health services

Explanation of the material topic

The material topic of human rights encompasses fundamental entitlements inherent to all individuals, irrespective of race, gender, nationality, ethnicity, language, religion, or other status, without discrimination. Such rights include, but are not limited to, those to life, liberty and freedom from slavery, forced labour, and torture; freedom of expression, and rights to work and education. In the context of labour and equitable working conditions, these rights touch on aspects including working hours, fair wages, social security, freedom of association, collective bargaining, legal and physical workplace protection, job security, and safeguards against unfair dismissals. Within supply chains, the principal focus is on eradicating forced labour, child labour, human trafficking, and modern forms of slavery.

Impacts

UPSTREAM DOWNSTREAM

very high
high
medium
low
N/A

Risks & Opportunities

low medium high very high

Management of the impacts

Respecting human rights and appropriate labour conditions is fundamental to being a responsible corporate citizen. It is morally the right thing to do and our actions can have a wide impact on the world around us. We have the potential to cause or contribute to human rights abuses in our operations or supply chain, but our own efforts and advocacy for collective action can incite companies to be a force for good. Our commitment to protecting human rights within our sphere of influence helps eradicate violations, inequality and unfair labour conditions wherever we do business and therefore supports the communities in which we source as well as the people who work for us.

> ***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.***

Sourcing from a variety of geographies and agricultural supply chains exposes us to a significantly higher risk of human rights breaches than do our own operations, which we control directly. A rising global trend in social inequality, modern slavery and child labour particularly threatens the people active in these sourcing supply chains, and they are also the most vulnerable to the crises now posed by geopolitical instability, cost-of-living increases and climate change. As an example, neglecting human rights in our supply chain could lead to children being cut off from schooling and health care, restricting their fundamental rights and threatening their futures. Any failure to counter adverse human rights impacts through our activities or to prevent and address breaches linked to our operations, products or services would accordingly reflect all the more negatively on us.

We care about the impact of our decisions, large and small, on those around us and we strive to prevent harm to anyone associated with our business. With sourcing activities tightly linked to agricultural supply chains, we place a particular focus on labour conditions and fundamental rights at work, and use our overarching Human Rights programme to manage impacts and risks. We also seek to strengthen our standing and business relationships with key customers who seek transparent, compliant supply chains, and look to protect the Company from reputational damage.

A rigorous approach to human rights and labour conditions

Givaudan's commitment, policies, and alignment with international frameworks

Our Human Rights policy outlines our commitment to conducting business with respect for human rights worldwide. This policy applies to Givaudan's direct operations, to the entities we own, and to the facilities we manage. The Responsible Sourcing policy outlines our expectations for our business partners and, together with our Principles of Conduct, these policies form the foundation of our approach to human rights. Every employee is expected to take personal accountability for upholding our principles in daily actions within their own sphere of influence and with business partners and stakeholders.

Aligned with international frameworks, our principles conform with the International Bill of Human Rights, the International Labor Organization's (ILO) Declaration on the Fundamental Principles and Rights at Work, and the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy. Our commitments are in line with the United Nations Guiding Principles (UNGP) on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, establishing our dedication to fostering a global environment where human rights are respected and promoted, in both operations and the value chain.

Further information on our efforts and commitments regarding social responsibility, human rights and ethical business aspects can be found in our position statements on commitment to social responsibility and on due diligence and transparency on child labour and forced labour, on our human rights webpage and in our annual UK Modern Slavery Act, Australia Modern Slavery Act and California Transparency Act statements.

Governance & accountability

Overall accountability for ensuring we uphold human rights commitments lies with our Chief Executive Officer, who is supported by our Executive Committee (EC). Internal management roles are responsible for governing the implementation of relevant mandatory global policies and procedures.

Putting our policies into practice means working to identify human rights impacts, avoiding them where we can and addressing them where we cannot, monitoring the effectiveness of our measures and periodically reporting on our performance. We seek continuous improvement and regularly review the way we respond in a constantly changing operating environment. A group-wide compliance helpline allows employees, business partners, and other affected stakeholders to raise any issues or potential violations of our policies on a confidential basis and without fear of retaliation.

We are signatories to the UN Global Compact's Ten Principles and the WBCSD's CEO Guide to Human Rights and engage in industry initiatives. Examples include Aim-Progress, the UEBT, Sedex and TfS, where we collaborate with peers and customers on emerging human rights topics to exchange best practices and increase the impact and scale of our interventions. To help address country- and commodity-specific social and environmental risks, we participate in leading supply chain initiatives such as the Sustainable Vanilla Initiative (SVI), which focuses on improving the livelihoods of smallholder farmers and protecting the rights of children in vanilla-growing areas in Madagascar. Another example is the joint project 'Harvesting the Future', which promotes and improves working and living conditions of seasonal agricultural workers in our Rose Turkey supply chain.

Employee training on human rights policies or procedures

Basic aspects of human rights are already covered as part of our Principles of Conduct training, which is mandatory for all Givaudan employees worldwide. To expand exposure to and knowledge of this important topic, we have developed additional dedicated Human Rights Expectations and Commitment training with support from external experts. The 'Givaudan Human Rights and Business' course is our first dedicated training unit on our global Human Rights policy. It is specifically targeted towards our management-level employees to equip them with tools for identifying and remediating human rights risks including those related to labour conditions, child labour, forced labour and fundamental rights at work. 'Combating Modern Slavery in the Workplace', the second module developed as part of our human rights employee training, is intended for all Givaudan employees. It raises awareness about modern slavery and provides tools for identifying and reporting risks.

In the first phase, we launched both training courses in Q3 2023 in Australia and the UK, countries chosen as a priority because of country-specific human rights/modern slavery regulation obligations (UK MSA and Australia MSA). Our Executive Committee and Corporate Sustainability Team have also completed the training and, as a result, 187 employees completed the 'Human Rights and Business' course and 622 employees the 'Combating Modern Slavery in the Workplace' course in 2023. In 2024, we plan to expand training to other Givaudan locations and to global corporate functions including Procurement and Human Resources.

Grievance mechanisms

Givaudan has zero tolerance for any form of human rights abuse and follows strict governance, grievance and remediation mechanisms to ensure compliance with our principles and commitments. We also provide various mechanisms for raising concerns. Employees can communicate concerns in confidence with a Local Compliance Officer, the Corporate Compliance Officer and the Legal Department. We have also set up a Givaudan Compliance Helpline accessible on our webpage where employees and third parties can raise concerns safely and anonymously. The helpline is operated by a third party and is available 24/7. Reports can be made in various languages via a toll-free telephone number or website option.

All issues are handled confidentially, consistent with Givaudan's need to investigate, in compliance with legal requirements and in cooperation with law enforcement authorities where required. Givaudan does not tolerate any form of retaliation against anyone who seeks advice or reports misconduct in good faith.

Due diligence and stakeholder engagement

Human rights is not a subject that we can address alone, and we work with governments, non-governmental organisations, employees, suppliers, customers, communities and other relevant stakeholders. Suppliers are a particular focus and we help them adhere to our principles through our Responsible Sourcing policy, our Sourcing4Good Responsible Sourcing programme, and procurement interventions such as vendor quality management. Grievance mechanisms and dedicated human rights programmes on topics such as child labour awareness training are also available to our suppliers. 100% of our raw material and IM&S suppliers have now received our Responsible Sourcing policy and are expected to understand and adhere to it.

We use continuous engagement and diverse interventions embedded in many of our standard operating procedures and practices to manage impact assessments on human rights in our operations and supply chain. The focus of these assessments ranges from high-level due diligence to more salient aspects, in particular those relating to health, safety, decent work or child labour.

Supported by external experts, we regularly conduct global impact assessments to identify relevant human rights issues and priority areas. At the group level, the most recent such due diligence exercise was carried out at the end of 2022 with external partner KPMG. With results finalised in early 2023, the exercise allowed us to confirm our key priority areas including the right to decent work, health and wellbeing, consumer health and safety, child labour and forced labour, as well as the rights of communities where we operate and source, including the right to a clean environment.

We further conduct dedicated due diligence in our own operations and in our supply chain through self-assessments, our supplier due diligence questionnaire (DDQ), internal field assessments, external risk and impact assessments, and audits.

Focus on our own operations

Givaudan has been an active member of Sedex, one of the world's leading ethical trade membership organisations, since 2010. Partnering with businesses to improve working conditions in global supply chains, Sedex covers the key topics of human rights, working conditions, health and safety, environment, and business ethics. We are committed to covering all our production sites in this programme: this includes registration on the Sedex platform, the completion of self-assessments and periodically conducting the third-party Sedex Members Ethical Trade Audit (SMETA) assessment. By the end of 2023, all 78 of Givaudan's active production sites and 4 joint ventures were part of the Sedex programme.

This social responsibility programme allows us to continuously monitor our performance against social and environmental standards and assess trends in good practices and areas for continuous improvement. We coordinate this programme at a global level and work with our site and regional teams to promptly address any findings raised.

The same manufacturing site standards are applied internally for all other Givaudan locations including offices, R&D facilities, warehouses, etc., and they are regularly assessed through programmes such as internal audits.

Our participation in EcoVadis Corporate Social Responsibility (CSR) assessments involves disclosing detailed information on our business practices in human rights and labour aspects, in addition to those linked to the environment, ethics and responsible procurement. The EcoVadis methodology framework assesses relevant company policies and actions using a team of international sustainability experts that analyse and cross-check company data such as supporting documents and 360° Watch Findings to create reliable ratings. Each company's industry, size and geographic locations are also considered.

This year, Givaudan ranked in the top 4% of more than 75,000 companies participating in the 2023 EcoVadis CSR Assessment, earning us the gold rating.

Focus on our supply chain

Beyond our own sites, we further leverage these platforms and third party assessments with suppliers as part of our responsible sourcing commitment. We use our DDQ to assess suppliers through Sourcing4Good and apply leading third party audit schemes at the factory and farm level, based on priority and risk.

Focus on key topics

Right to decent work and wages

Providing appropriate labour conditions is an essential element of corporate responsibility and fundamental to creating a workplace where everyone loves to be and grow. Ensuring the rights and wellbeing of our employees entails a commitment to providing a safe, healthy and inclusive work environment as well as decent work and wages. This often means going beyond mere regulations to introduce and promote responsible practices that respect human dignity and ensure an ethical business environment.

While the potential impact of improperly managing labour conditions is smaller in our own operations because of our direct control, there is higher risk in sourcing countries, where labour laws and worker protection may not be robust. We align with the requirements set out in the Ethical Trade Initiative (ETI) Base Code, which is founded on the conventions of the ILO and is an internationally recognised code of labour practice. In adhering to these requirements, we go beyond legal compliance to ensure a consistent high standard of working conditions for all our Givaudan sites and employees. We extend these requirements to our joint ventures and expect suppliers to adhere to them as outlined in our Responsible Sourcing policy.

We are committed to paying a living wage to all our employees. In 2023, we began to analyse our position using the Fair Wage Network's methodology. Beyond our own employees, we also engage on living wage and income considerations in our supply chain and are committed to working with our suppliers, customers, and peers to advance on this important topic. We do this for example through our participation in industry initiatives and leading forums with a focus on living wage and income such as the United Nations Global Compact network, the Sustainable Vanilla Initiative (SVI) and Harvesting the Future for Rose Turkey project. In 2023, we also started a pilot living income review in our Patchouli Indonesia supply chain which we will finalise in 2024 to inform our approach for other prioritised supply chains where we have a presence close to the ground. Furthermore, we contribute to the improvement of farmer livelihoods and income diversification through our advanced-level projects – our ongoing efforts in vanilla and ylang-ylang supply chains are two examples.

Child labour, forced labour, compulsory labour and human trafficking

Our positions on child labour, forced labour, compulsory labour and human trafficking are outlined in our Principles of Conduct and in our Human Rights policy. These, in turn, reflect initiatives including the United Nations Global Compact, a framework that targets, among other goals, the elimination of forced, compulsory and child labour. Our position and approach are in alignment with applicable regulations including the Swiss Code of Obligations, the UK and Australia Modern Slavery Acts and the California Transparency in Supply Chains Act. We follow relevant ILO Conventions related to minimum age and the worst forms of child labour (C138 and C182) and align our due diligence process and related programmes to the OECD Due Diligence Guidance for Responsible Business Conduct and the UNGPs on Business and Human Rights. In line with ETI's Base Code Principles, we do not condone recruitment of child labour. Companies shall develop or participate in and contribute to policies and programmes that provide for the transition of children from labour to quality education if issues are identified as part of continuous due diligence.

We do not practise or tolerate any form of child exploitation, and 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. This applies to employment within Givaudan, and we require the same from our partners and suppliers. When we observe young workers engaged in business activities, but who do not legally qualify as child labour, we work towards training and education with the aim of ensuring that they are always protected and that their right to education is not infringed. Similarly, we do not practise or tolerate any form of exploitation or forced or compulsory labour including prison labour, indentured labour, bonded labour, slave labour or any form of human trafficking.

Focusing on our own operations, child labour, forced labour, compulsory labour and human trafficking are covered in our social responsibility programme, and compliance with these requirements is verified by regular third party SMETA audits. We train our managers and employees on our policy, commitments, and tools to identify and report any violations through our Code of Conduct and Human Rights training modules which include the topic of child labour, forced labour, compulsory labour and human trafficking.

As part of our Responsible Sourcing efforts we share our Responsible Sourcing policy with our suppliers which includes requirements on child labour, forced labour, compulsory labour, and human trafficking which they are expected to adhere to. Furthermore, we apply our in-house due diligence questionnaire (DDQ) that allows us to obtain primary traceability and risk information on the supply chain, including human rights risks, and we require third party audits of our key suppliers where again human rights and more specifically child labour aspects are explicitly checked as part of all of our preferred and accepted farm and factory audit standards. We continuously work with and train our procurement and supply chain partners to identify, record, investigate, and remediate any adverse impacts. Where needed, we implement specific projects to address identified risks, often with support from external third party local experts, including on human rights and child labour topics.

> *“ By 2030, we aim to cover 100 key supply chains within the child labour training and vigilance programme, we attained 27 supply chains in 2023.*

Child labour is a priority topic and an emerging risk in some of our key supply chains. This is why we have developed a dedicated child labour training and vigilance programme to complement our existing responsible sourcing efforts.

Launched in 2021, the programme aims to raise awareness and build capability among procurement colleagues and supply chain stakeholders on the topic. Through the programme, we engage with our suppliers and provide training on our human rights expectations and on managing child labour risks. The training courses are conducted by our Responsible Sourcing team together with the Procurement teams, and are either organised remotely with our suppliers, or as part of a field visit, during which we also conduct an internal human rights field risk review. Depending on the assessment and identified needs, we work with our suppliers and other stakeholders to reduce risks/impacts and show progress. This could be, for example, by providing further training, guidance, and tools, or by developing specific projects that may include wider community development.

We follow a risk-based approach to prioritising the supply chains to include in this programme, and are informed by our own supplier DDQ, external human rights country risk screenings, and engagement with our procurement team. Our target is to cover 100 key supply chains within this programme by 2030 and to gradually increase the number of people trained, including our own Procurement team, suppliers and extended stakeholders such as farmers, collectors and workers.

Since its start, the programme has covered 27 supply chains and provided training to more than 60 Givaudan Procurement employees and over 2,500 external partners such as supplier employees and field collectors. This has created outreach potential to more than 20,000 partners, including farmers, collectors, farm workers and distillers across these key raw material supply chains. In 2023, we covered 13 key supply chains, including field reviews and training for our main suppliers of rose in Bulgaria, mint in India, castor oil in India, and rosemary in Morocco. We conducted virtual training with our key cocoa supplier, who sources mainly from Ivory Coast and Ghana. In Egypt, we conducted a field review and training with our main jasmine suppliers, and are now involved in developing

further programmes related to social risks including working conditions and child labour.

Freedom of association and collective bargaining

Respecting every employee's right to freedom of association and collective bargaining, we follow commonly recognised best practices with all of our employees globally. The Givaudan Principles of Conduct and Human Rights Policy highlight our positions concerning freedom of association. We aim to provide and promote an environment where employer and employee can engage in open dialogue on all work-related aspects, better understand the other's challenges and find ways of resolving them. Establishing genuine dialogue with freely chosen employee representatives allows this. 32% of our employees are covered by collective bargaining agreements.

Employee representatives are consulted regularly and we look to inform and consult about changes in the organisation and to report any feedback to the EC. We pride ourselves on our history of constructive dialogue with employee representatives and support the freedom of individuals to join trade unions or other employee representative bodies. Givaudan does not discriminate based on employee membership of, or association with, these bodies and seeks to enter into constructive discussions when issues arise.

Regular Union/Works Council consultations with a group of employees who represent Union/Works Council members are regularly held at all applicable sites around the world, including for all European Union member states where we have operations. The purpose is to inform and consult employees about significant changes in the organisation, ensure that the right to freedom of association and collective bargaining is not put at risk, and to report any feedback to the EC so that it can take suitable action if required.

The European Works Council Forum unfolded in Vernier on 7 and 8 of November, featuring a distinctive emphasis on HR matters, encompassing Compensation and Benefits (C&B), Employee Engagement and Satisfaction (EES), as well as Diversity, Equity, and Inclusion. Additionally, attendees received insightful updates on the current business performance from diverse business leaders.

It is important for us to proactively address potential risks and activities that could adversely impact our employees. We safeguard them against reprisals through policies and procedures designed to protect workers from intimidation, threats, or actions that may have negative repercussions for their employment or professional engagement. These protective measures extend to mitigating risks such as termination, demotion, loss of compensation, disciplinary actions, and other forms of unfavourable treatment.

Furthermore, within the broader scope of worker health and safety, employees are granted the right to autonomously withdraw from work situations they perceive as potentially harmful to themselves or others. This proactive empowerment not only aligns with our dedication to freedom of association but also contributes to cultivating a safer and healthier working environment.

In monitoring and tracking performance indicators concerning the rights of workers to be informed and consulted, we maintain a decentralised approach. We do not currently have a centralised tracking in place which reflects our commitment to empowering local entities to actively manage and address the unique aspects of worker rights within their respective contexts.

We call on suppliers, including smallholders, to allow workers to exercise their rights to freedom of association and collective bargaining and ask for their collaboration in supporting the policy and disclosing information that could help drive improvements.

Minimum notice periods regarding operational changes

We respect legal local notice periods prior to the implementation of changes that could affect our employees, either through direct communication to these employees or through their elected representatives, union/works Councils or other groups. In countries where there are collective agreements and where it is mandatory, minimum notice periods regarding operational changes are specified. These range from no notice to three months, depending on the country and based on local laws and practices.

Minerals and metals from conflict-affected areas

Our position on conflict minerals and metals is in alignment with various regulations including the Swiss Code of Obligations, EU Conflict Minerals Regulation and the U.S. Dodd-Frank Act.

We do not source any minerals, including conflict minerals and metals, directly from mines, smelters or refiners, nor do we import them directly into any of our entities.

Suppliers are expected to cooperate with the implementation of supply chain obligations relevant to the regulations mentioned above. Our Responsible Sourcing Policy sets out our sourcing expectations, which include compliance with all laws that are applicable to our suppliers and that may include laws relating to conflict minerals. Our Responsible Sourcing Policy is shared with all our global suppliers of raw materials, and indirect materials & services worldwide. Where applicable, we ask suppliers to provide us with information relating to the potential use and source of any conflict minerals and metals in any products they may provide us. We expect, and communicate this expectation, that such suppliers establish their own policies and procedures relating to conflict minerals and make them available to us upon request.

Rights of communities where we operate and source (including right to clean environment)

Our business would not exist without the communities from where we source and in which we operate. Ensuring that we positively impact the lives of community members is a fundamental part of living our purpose every day. We respect the human rights of people in communities affected by our activities and recognise that vulnerable and marginalised groups deserve particular attention. We systematically engage with our communities to better understand their needs.

Through our value chain, we connect with many thousands of partners and interact with diverse communities around the world. We continuously assess our potential for positive and negative impacts wherever we do business and work in close partnership with our suppliers in a common commitment to uphold human rights and create a positive impact on sourcing communities.

> *“ Ensuring that we positively impact the lives of community members is a fundamental part of living our purpose.*

Overall, we actively develop and sustain relationships with communities and listen to their representatives to understand their needs. This allows us to consider their points of view and integrate their feedback into our activities. We support economic development by providing local employment, procurement and contracting opportunities. Through our community engagement, responsible sourcing projects, agronomy programmes and the work of the Givaudan Foundation, together referred to as Advanced Level projects, we support the broader development and sustainability of local communities where we are present.

In our vanilla supply chain in Madagascar, for example, local partnership, ground presence through our joint venture SOMAVA and the help of the Givaudan Foundation have allowed us to implement an extensive programme that benefits the community. It aims to improve the livelihood of farmers, promote sustainable agricultural practices and provide access to key infrastructure and services including education, sanitation and health.

Working together with Save the Children, 12 SOMAVA employees have been trained and coached on human rights, child labour awareness and prevention, as well as on the Gender Action Learning System (GALS). GALS aims to give women and men better control of their lives, and promote and support an enduring movement for gender justice. This training and initial support from Save the Children has allowed our SOMAVA team to provide education on child labour and gender empowerment to 32 villages covering more than 1,500 vanilla producers between 2022–2023. We aim to extend this training to all our vanilla-supplying villages over time, and continue engagement with producers on the subject.

Business conduct

75 Anti-bribery and anti-corruption

Anti-bribery and anti-corruption

Insisting on high ethical standards protect our business from the risks of non-ethical dealings. We can be held responsible for our own actions as well as those of people associated with us, and penalties for violating laws are severe. As an example, even allegations of bribery or corruption could damage our reputation and business, thereby impacting the prosperity of our associated communities who produce and grow our raw ingredients. Non-compliance with anti-corruption laws would contribute to the persistence of bribery in the world, supporting unfair advantage to the detriment of all of its victims.

Being a responsible business allows us to benefit society while addressing impacts we might have on people and the planet. Our purpose commitments guide us in our choices and in our way of doing things, and in our interaction with our stakeholders.

This means supporting various mechanism for advice and concerns about ethics, including ways to report any violation of the Principles of Conduct. It means developing robust approaches to ensuring the highest standards in terms of child labour, forced labour, compulsory labour or human trafficking; anti-bribery and anti-corruption; communication and training about anti-corruption policies and procedures, and human rights policies; conflicts of interest; freedom of association; collective bargaining agreements and minimum notice periods regarding operational changes.

Our Principles of Conduct express our commitment to ethical dealings and underline our ambition to maintain an environment where trust and confidence is integral to all our endeavours. They are available in all major Company languages and are undersigned by the Chairman of the Board and our Chief Executive Officer. They were last reviewed and updated in 2018.

Anti-bribery & anti-corruption

Most of the countries in which we operate have anti-bribery laws. Some of these countries claim extraterritorial jurisdiction with, for example, laws such as the UK Bribery Act, the US Foreign Corrupt Practices Act and the French Loi Sapin II. Switzerland adheres to GRECO standard in terms of extraterritorial jurisdiction.

Anti-bribery and anti-corruption compliance are managed as focus compliance risk areas within our Compliance Management System. The approach is anchored in our Principles of Conduct, which state that Givaudan has zero tolerance for bribery and corruption and does not make facilitation payments. This principle is further detailed in two policies: Givaudan's global Anti-Bribery, Gift, Entertainment and Hospitality policy, first enacted in 2011 and last amended in 2023, includes prohibitions on corruption, bribery, inappropriate gifts as well as mechanisms for the approval and reporting of gifts, entertainment and hospitality; the Global charitable donations, philanthropy, sponsorship and lobbying policy, last amended in 2019, provides mandatory guidelines on permitted charitable causes, due diligence on recipients, and reporting. The Principles of Conduct and the two policies are available to employees in all major Company languages.

The Corporate Ethics & Compliance Officer regularly reviews corruption and bribery risks as part of compliance risk assessment, which is done at both the local and corporate levels. The results are presented to the EC, the Audit Committee and the Board. Given that they present a specific risk group, Givaudan has a process for the selection and engagement of sales agents and distributors that includes a formal due diligence review and requirements for agent contracts and payments.

In the case of acquisitions, we conduct pre-signing due diligence and full integration of acquired companies into the Compliance and Ethics Management system upon closing.

Communication and training about anti-corruption policies and procedures

Like all policies, we communicate Givaudan's Global Anti-Bribery, Gift, Entertainment and Hospitality policy to all employees worldwide, regardless of their location or their job level, and to that effect, we have translated the policy into all applicable Company languages and it is available on the Company's intranet.

Basic compliance training on the updated Principles of Conduct, mandatory for all permanent employees once every two years, includes sections on bribery and corruption and the ethical handling of issues linked to gifts, entertainment and hospitality.

We have also introduced specific anti-bribery training for employees with significant contact with external stakeholders. This group of senior managers includes all members of the EC and other employees. Givaudan senior managers have been invited to complete this specific anti-bribery training since 2013. The latest training was

rolled out from Q4 2023 onwards. 5,116 Givaudan employees on the top five job levels worldwide have undergone this training in 2023; out of which 1,126 in Asia Pacific, 2,158 in Europe, 588 in Latin America, 900 in North America and 344 in South Asia, Middle East and Africa.

A target completion rate of 90% has been established for all Ethics and Compliance training modules, encompassing Principles of Conduct and Anti-Bribery training. We track this figure annually serving as a key metric in our efforts to combat corruption and unethical behaviour within the organisation.

With further acquisitions over the past years, we have continued to roll-out our Ethics and Compliance programme in all locations of the acquired entities. This includes communication of the Principles of Conduct and the Global Anti-Bribery, Gift, Entertainment and Hospitality policy. The roll-out also includes training for all employees in the acquired companies. Depending on the integration status of the acquired company, the training programme is available either online or offline 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.

Givaudan's Responsible Sourcing policy requires that each supplier comply with all applicable laws in the countries in which it operates. It also contains anti-bribery/anti-corruption requirements that are similar to the ones that apply to Givaudan's employees. Suppliers are also expected to have adequate systems as well as grievance mechanisms and processes in place to manage business integrity and provide a means for employees to raise compliance concerns in a confidential way and without fear of retaliation. 100% of our raw material and IM&S suppliers have now received our Responsible Sourcing policy.

Conflicts of interest

Conflicts of interest can corrupt any relationship, creating disadvantages for Givaudan and for its stakeholders alike. To avoid conflicts of interest, Givaudan has enacted a Global Conflict of Interest Policy. This policy is available to all employees in all Company languages. Additionally , we have a Conflict of Interest disclosure process which was communicated to all employees through a training launched in Q4 2023.

Conflict of interest at Board and Executive Committee level can be particularly damaging. Therefore, article 32 of Givaudan's articles of incorporation include limits on cross-board memberships for both Board members and members of the Executive Committee. Givaudan reports in its Governance Report annually on any external Board membership of all of its Board and Executive Committee members, as well as on the existence of any controlling shareholder or related parties. Currently there are no such shareholders/parties.

In addition, section 2.5 of Givaudan's Board regulations contain measures to be taken in case of conflicts of interest on the governing bodies of Givaudan.

Non-financial performance

78 Non-financial data

Non-financial data

Environmental performance indicators

ENERGY, EMISSIONS, WASTE, WATER AND PRODUCTION

	Key performance indicators	2015 (restated in 2023)[1]	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
Energy					
Energy (GJ)	Direct energy consumption primary sources[3]	2,814,082		2,883,753	2,609,635
	Indirect energy: purchased electricity & steam	1,280,111		1,414,381	1,323,776
	Total energy	4,094,193		4,298,134	3,933,411
Energy efficiency (GJ/tonne of production)	Direct energy efficiency	4.50		3.93	3.95
	Indirect energy efficiency	2.05		1.93	2.00
	Total energy efficiency	6.55		5.86	5.95
Emissions					
GHG emissions (tonnes)					
Scope 1	From direct energy sources[4]	164,540		162,172	144,872
	From biogenic sources[5]	7,905		9,020	8,331
Scope 2	From indirect energy sources[4]	117,772		29,285	16,987
	From biogenic sources[5]			1,453	1,271
	Total scope 1 + 2 GHG emissions direct and indirect[4]	282,312		191,457	161,859
	Total scope 1 + 2 GHG emissions biogenic[5]	7,905		10,473	9,602
Scope 3[6]	Purchased good and services	3,087,061		3,195,988	2,815,876
	Raw materials	2,868,179		2,988,713	2,620,349
	Other Indirect materials & services categories (excluding existing categories)[7]	121,452		80,714	78,988
	Packaging	97,430		126,561	116,539
	Capital goods[7]	26,187		11,947	7,745
	Fuel- and energy-related activities	59,388		61,324	56,525
	Upstream transportation and distribution	33,412		59,030	45,074
	Waste generated in operations	23,986		30,736	29,130
	Business travel	26,550		6,028	13,021
	Employee commuting	23,630		13,911	14,233
	Downstream transportation and distribution	62,061		108,733	80,764

	Key performance indicators	2015 (restated in 2023)[1]	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
	Outbound product to customers	43,300		56,183	53,389
	Outbound intercompany deliveries	18,761		52,550	27,376
	Total scope 3 GHG emissions	3,342,276		3,487,696	3,062,369
GHG emissions efficiency (tonnes of GHG/tonne of production)[8]	Scope 1: from direct energy sources (excluding biogenic)	0.26	–	0.22	0.22
	Scope 2: from indirect energy sources (excluding biogenic)	0.19	–	0.04	0.03
	Total GHG emissions efficiency	0.45	–	0.26	0.24
Waste					
Hazardous waste (tonnes)	Preparation for reuse[9]			13,702	10,936
	Recycling			10,467	12,100
	Other recovery operations[9]			6,699	6,554
	Total hazardous waste diverted from disposal by recovery operation		21,653	30,868	29,590
	Incinerated without energy recovery offsite		6,482	6,604	7,192
	Incinerated with energy recovery		8,825	10,834	9,735
	Landfilled		798	786	760
	Total hazardous waste directed to disposal by disposal operation		16,105	18,224	17,688
	Total hazardous waste		37,758	49,092	47,278
Non-hazardous waste (tonnes)	Preparation for reuse[9]			3,320	3,575
	Recycling			59,889	50,872
	Recycling			14,050	11,820
	Composted[9]			19,100	15,794
	Biogas production[9]			26,739	23,258
	Other recovery operations[9]			1,394	1,935
	Total non-hazardous waste diverted from disposal by recovery operation		57,860	64,603	56,382

	Key performance indicators	2015 (restated in 2023)[1]	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
	Incinerated without energy recovery		2,260	1,537	1,073
	Incinerated with energy recovery		2,712	2,791	3,182
	Landfilled		11,543	14,606	11,610
	Total non-hazardous waste directed to disposal by disposal operation		16,515	18,933	15,865
	Total non-hazardous waste		74,375	83,536	72,246
Total incinerated and landfilled waste (HZ and NHZ, tonnes)			32,620	37,157	33,553
Waste efficiency (kg/tonne of production)[10]			46.82	50.66	50.78
One-off waste (tonnes)[11]			1,679	6,582	1,030
Total waste (tonnes)			113,812	139,210	120,555
Water					
Water withdrawal (m^3)	Surface water		4,923,265	5,773,285	5,724,436
	Groundwater		1,663,406	1,637,607	1,498,029
	Seawater			380	121
	Third-party water - purchased water		3,536,872	3,646,338	3,273,718
	Rainwater collected directly and stored by the reporting organisation		13,200	13,860	7,506
	Third-party water - wastewater from another organisation		275,828	224,130	196,854
	Total water withdrawal[12]		10,412,571	11,295,600	10,700,665
	Total water withdrawal from sites facing water stress[12]		751,313	722,577	644,605
Water efficiency (m^3/tonne of production)[13]	Water efficiency from sites facing water stress		5.48	4.82	4.50
	Total water efficiency		7.46	7.20	7.22
Water discharge (m^3)	To the environment w/o biological treatment		3,860,523	4,927,074	5,014,980
	To the environment after biological treatment		2,151,186	2,179,924	1,936,337
	To external treatment facility w/o pre-treatment		839,931	698,170	631,923
	To external treatment facility with pre-treatment		2,003,304	2,182,446	1,949,952
	Total water discharge		8,854,946	9,987,614	9,533,192
	Total water discharge from sites facing water stress		387,305	381,231	262,770

	Key performance indicators	2015 (restated in 2023)[1]	2020 (restated in 2023)[1]	2022 (restated in 2023)[1]	2023[2]
Water consumption (m^3)	Water consumption		1,557,625	1,307,986	1,167,472
	Water consumption from sites facing water stress		364,009	341,346	381,836
COD (tonnes)	COD load of water discharged to the environment			1,607	1,116
Other data					
	Nitrogen oxides – NOX (tonnes)[14]			88.31	78.80
	Sulphur dioxide – SO_2 (tonnes)[14]			118.15	83.94
	Volatile organic compounds (tonnes)			1,064.22	896.01
	CFC inventory (kg)			4,636	4,579.96
	CFC11 equivalent inventory (kg)			261	265.71
	CFC loss-replacement (kg)			234	520.51
	CFC11 equivalent loss/replacement (kg)			13	37.63
Production					
	Production quantities (tonnes)	625,275	696,651	733,480	660,765

1. These values include the assured figures coming from all Givaudan entities and acquisitions (except for Fragrance Oils, Custom Essence and Expressions Parfumées) as well as from restatements.
2. Assured figures including all Givaudan entities and acquisitions except for: Fragrance Oils, Custom Essence and Expressions Parfumées.
3. It includes natural gas (0.0336 GJ/m^3), light fuel (39.5904 GJ/m^3), heavy fuel (40.1759 GJ/m^3), Liquid Petroleum Gas (23.8018 GJ/m^3), town gas (0.0186 GJ/m^3), waste used as an energy source (as per site specific waste type characteristic Net Calorific Value), biofuel (33.1080 GJ/m^3), biogas (0.0342 GJ/m^3), biomass (0.0116 GJ/kg), coal (26.7000 GJ/tonne), geothermal energy (0.0036 GJ/kWh), deducting steam sold (3.0750 GJ/tonne).
4. Including emissions of CH_4 and N_2O from usage of biogenic fuels (biomass/biofuels).
5. Emissions of CO_2 from usage of biogenic fuels (biomass/biofuels).
6. These values includes the assured figures coming from all Givaudan entities and acquisitions (except for Fragrance Oils, Custom Essence and Expressions Parfumées).
7. These values do not include data for the acquisitions of Naturex, Vika, Drom, Ungerer and DDW.
8. Includes only scope 1 and scope 2.
9. This data was not collected in 2020. We started to include this category in our reporting in 2021. In the past this treatment was included in the recycling processes.
10. Includes incinerated with and without energy recovery and landfilled waste (from both Hazardous and Non Hazardous waste).
11. This indicator measures the total quantity of waste that is not directly related to 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 generated by an unusual incident, for instance a fire.
12. Includes sanitary, cooling and process water.
13. Includes third-party water (municipal supplies / purchased water) and groundwater.
14. Quantity is calculated by multiplying the annual fuel consumption by the corresponding emission factor for fuel type.

Social performance indicators[1]

BY EMPLOYMENT TYPE

	Full-time		Part-time		Total	
	Women	Men	Women	Men	Women	Men
Asia Pacific	1,589	1,968	12	0	1,601	1,968
Europe, Africa and Middle East	2,529	3,926	159	47	2,688	3,973
Latin America	768	1,231	2	0	770	1,231
North America	880	1,624	4	1	884	1,625
Total 2023	**5,766**	**8,749**	**177**	**48**	**5,943**	**8,797**
Total 2022	5,708	8,999	323	89	6,031	9,088

BY EMPLOYMENT CONTRACT

	Permanent		Temporary		Total	
	Women	Men	Women	Men	Women	Men
Asia Pacific	1,565	1,920	36	48	1,601	1,968
Europe, Africa and Middle East	2,607	3,878	81	95	2,688	3,973
Latin America	761	1,177	9	54	770	1,231
North America	884	1,625			884	1,625
Total 2023	**5,817**	**8,600**	**126**	**197**	**5,943**	**8,797**
Total 2022	5,878	8,867	153	221	6,031	9,088

TURNOVER BY AGE GROUP, GENDER AND REGION

	Age range			Gender		
	<30	30–50	>50	Women	Men	Total
Asia Pacific	14%	10%	12%	11%	11%	11%
Europe, Africa and Middle East	17%	11%	12%	12%	12%	12%
Latin America	18%	13%	12%	12%	15%	14%
North America	19%	14%	15%	14%	16%	15%
Total 2023	**17%**	**12%**	**13%**	**12%**	**13%**	**13%**
Total 2022	20%	11%	10%	12%	12%	12%

NEW HIRES BY AGE GROUP, GENDER AND REGION

	Age range			Gender		
	<30	30–50	>50	Women	Men	Total
Asia Pacific	114	181	11	145	161	306
Europe, Africa and Middle East	251	373	51	295	380	675
Latin America	108	152	5	101	164	265
North America	118	143	23	108	176	284
Total 2023	**591**	**849**	**90**	**649**	**881**	**1,530**
Total 2022	718	1,057	108	762	1,121	1,883

GIVAUDAN EMPLOYEES

	2022	2023
Total FTE employees[2]	16,676	16,263
Total head count[1]	15,119	14,740

1. These are based on headcount, defined as the number of physical people, including internal temporary and regular employees in all Givaudan entities and acquisitions except DDW, Custom Essence, Ungerer, Expressions Parfumées, Fragrance Oils, Albert Vielle, Vika and Alderys.
2. Includes all Givaudan entities and the 19 acquistions since 2014.

CATEGORIES AND COMPOSITION OF GOVERNANCE BODIES

	Women	Men	Asia Pacific	Europe, Africa and Middle East	Latin America	North America	Total
Senior Leaders incl. executive committee	59	151	20	135	17	38	210
in %	28%	72%	10%	64%	8%	18%	100%
Middle managers	2,099	1,952	1,044	1,860	456	691	4,051
in %	52%	48%	26%	46%	11%	17%	100%
Associates	3,785	6,694	2,505	4,666	1,528	1,780	10,479
in %	36%	64%	24%	45%	15%	17%	100%
Total 2023	5,943	8,797	3,569	6,661	2,001	2,509	14,740

COMPOSITION OF GOVERNANCE (EXECUTIVE COMMITTEE AND BOARD OF DIRECTORS)

	<30	30–50	>50	Women	Men	Total
Headcount			14	3	11	14
in %	0%	0%	100%	21%	79%	100%

TOTAL RECORDABLE CASES BY REGION

	2022	2023
Asia Pacific	4	6
Europe, Middle-East & Africa	80	78
Latin America	7	5
North America	60	37
Total	**151**	**126**

HEALTH AND SAFETY INDICATORS

	2018	2022	2023
Number of Total Recordable Cases (TRC) [1]	130	151	126
Fatalities	0	0	0
Number of LTIs	24	68	67
Number of Restricted Work Cases (RWC)	56	46	26
Number of Medical Treatment Cases (MTC)	50	37	33
Total Recordable Case Rate	1.33	0.85	0.71
LTI rate	0.25	0.38	0.38
Number of lost days [2]	645	1,369	1,146
Lost day rate [3]	6.61	7.72	6.49
Number of hours worked [4]	19,503,663	35,480,912	35,317,259
Absenteeism [5]	2.7%	3.4%	3.2%

1. TRC is according to the official OSHA definition.
2. 2023 includes 25 days carried over from previous year. 2022 includes 190 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. 5.1% of these represent external temporary workers 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 testing is in scope.

Progress on governance indicators

RESPONSIBLE SOURCING AND COMMUNITIES

	2022	2023
People benefiting fom community initiatives	215,059	440,660
Advanced level projects in our Sourcing4Good programme	25	28
% of total materials and services by procurement spend sourced responsibly[1]	9.5%	33%
% of which are naturals portfolio spend	26%	76%
% of which are synthetics row materials spend	6%	22%
% of which are indirect materials and services spend	in progress	in progress

HUMAN RIGHTS

	2022	2023
Child labour and vigilance modules		
Number of key supply chains covered by human rights child labour trainings or field walk-throughs[2]	14	27
Number of supplier partners trained in human rights and child labour[3]	300	2,500
Givaudan Human Rights employee modules		
Number of human rights and business trainings completed by employees[4]		187
Number of modern slavery trainings completed by employees[4]		622

BOARD OF DIRECTORS

Number of members	7
Number of women	2
Years average tenure	5.4
Nationalities represented	5
Total compensation paid	CHF 2,986,345

EXECUTIVE COMMITTEE

Number of members	7
Number of women	1
Years average tenure	9.6
Nationalities represented	6
Total compensation paid	CHF 19,609,588

1. % by procurement spend, flagged as sourced responsibly upon completion of basic due diligence as defined in our Sourcing4Good programme.
2. Cumulative since 2021. We aim to cover 100 key supply chains by 2030.
3. Cumulative since 2021.
4. Training launched in 2023.

GIVAUDAN SA
Chemin de la Parfumerie 5
1214 Vernier, Switzerland

GENERAL INFORMATION
T + 41 22 780 91 11

MEDIA AND INVESTOR RELATIONS
T + 41 52 354 01 32

SHARE REGISTRY
Computershare Schweiz AG
Postfach
4601 Olten, Switzerland
T + 41 62 205 77 00

SHARE INFORMATION
Symbol: GIVN
Security number: 1064593
ISIN: CH0010645932

www.givaudan.com

Concept, design, consulting and realisation: PETRANIX AG Corporate and Financial Communications www.PETRANIX.com

The Givaudan 2023 Report on non-financial matters is published in English.

All trademarks mentioned enjoy legal protection.

This report may contain forward-looking information. Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors. Therefore actual results may differ significantly from those presented in such forward looking statements. Investors must not rely on this information for investment decisions.

© Givaudan SA, 2024