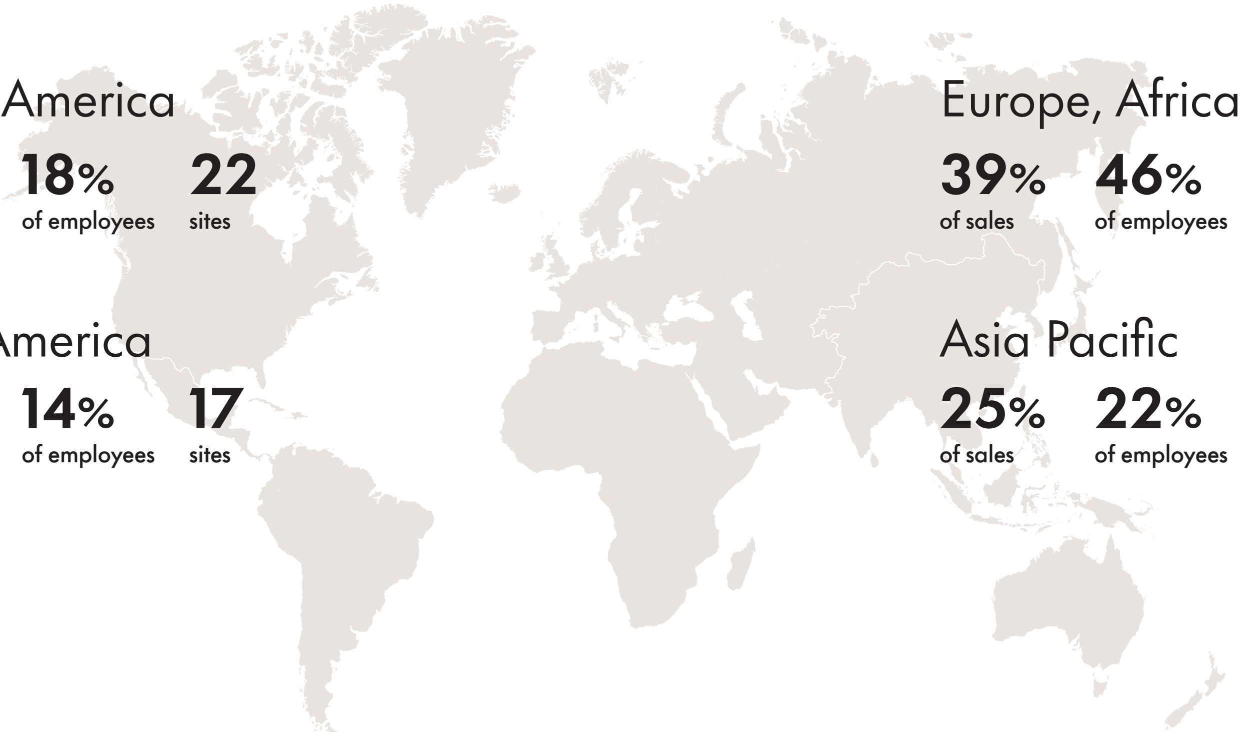
2023 Governance, Compensation and Financial Report

Givaudan

Human by nature

Givaudan at a glance

**Our size and operational footprint give us unique exposure to a variety of markets.
We continue to invest with additional talent and new facilities to service the wide diversity of our customers.**



North America

24% of sales | **18%** of employees | **22** sites

Europe, Africa and Middle East

39% of sales | **46%** of employees | **78** sites

Latin America

12% of sales | **14%** of employees | **17** sites

Asia Pacific

25% of sales | **22%** of employees | **46** sites

78
production sites

64
creation & research centres

>16,260
full-time employees

124,120
products sold

Our customers:

44%
global

56%
local and regional

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Governance Report

Ensuring proper checks and balances

We take pride in our transparent governance, which ensures we manage and supervise our operations in a responsible way. Our structures and processes for the direction and control of our Company support a continued focus on value creation for all our stakeholders.

This Governance report is aligned with international standards and has been prepared in accordance with the 'Swiss Code of Obligations', the 'Directive on Information Relating to Corporate Governance' issued by the SIX Exchange Regulation and the 'Swiss Code of Best Practice for Corporate Governance' issued by economiesuisse.

Our solid governance is an important foundation for Givaudan's business and enables us to deliver on our purpose, strategy and performance.
Calvin Grieder, Chairman

The internal corporate governance framework is based on Givaudan SA's Articles of Incorporation. The 'Board Regulations of Givaudan SA', the Company's organisational regulation, further clarify the duties, powers and regulations of the governing bodies of the Company.

Except where otherwise provided by law, the Articles of Incorporation and Givaudan's Board Regulations, all areas of management are fully delegated by the Board of Directors, with the power to sub-delegate, to the Chief Executive Officer, the Executive Committee and its members. The Board Regulations of Givaudan also specify the duties and the functioning of the Board's four committees.

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www.givaudan.com › Our company › Responsible business › Position statements, policies, rules, reports › under 'Rules': **Articles of Incorporation, Board Regulations of Givaudan** and **other documentation** regarding Givaudan's principles of corporate governance

Group structure and shareholders

1.1 Group structure

1.1.1 Description of the issuer's operational Group structure

Givaudan SA, the parent company of the Givaudan Group, with its registered corporate headquarters at 5 Chemin de la Parfumerie, 1214 Vernier, Switzerland ('the Company'), is a 'société anonyme', pursuant to art. 620 et seq. of the Swiss Code of Obligations. It is listed on the SIX Swiss Exchange under security number 1064593, ISIN CH0010645932.

The Company is a global leader in its industry. Givaudan operates around the world and has two principal businesses: Taste & Wellbeing and Fragrance & Beauty, providing customers with compounds, ingredients and integrated solutions. Taste & Wellbeing consists of four business units: Dairy, Sweet goods, Beverages and Savoury. Fragrance & Beauty also has four business units: Consumer products; Fine fragrances; Fragrance ingredients and Active Beauty.

Both divisions have a sales and marketing presence in all major countries and markets as well as science and technology organisations. They share resources and knowledge in the areas of research and market & consumer analysis, where applicable. Corporate functions include Finance, Procurement, Human Resources (HR), Legal, Ethics & Compliance, Enterprise Risk Management, Environment Health & Safety (EHS) and Communications as well as Givaudan Business Solutions (GBS) and Internal Audit. GBS provides internal end-to-end processes and services in the areas of Finance, Controlling, HR, Procurement, Supply Chain, EHS, Enterprise Data Management, IT, Engineering Sustainability and Continuous Improvement services.

1.1.2 Listed companies within the scope of consolidation

The Company does not have any publicly listed subsidiaries.

1.1.3 Unlisted companies within the scope of consolidation

The list of principal consolidated companies, their domiciles and the shareholding is presented on page 108, in note 32 to the 2023 consolidated financial statements. Note 1 to the consolidated financial statements as well as note 3 to the statutory financial statements on pages 119–120 offer more details regarding the structure of the Group. All unlisted subsidiaries are wholly-owned, unless otherwise indicated in notes 3 and 4 to the statutory financial statements mentioned above.

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1.2 Significant shareholders

To the knowledge of the Company, the following shareholders were the only beneficial shareholders holding more than 3% of the share capital of Givaudan SA as at 31 December 2023 (or as at the date of their last notification under article 20 of the Stock Exchange Act):

SIGNIFICANT SHAREHOLDERS

2023	in %
Beneficial owners	
William H. Gates III and Melinda French Gates	13.86
BlackRock, Inc.	5.06
Haldor Foundation	4.96
UBS Fund Management (Switzerland) AG	3.12

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The Company has not entered into any shareholder agreements with any of its significant shareholders.

1.3 Cross-shareholdings

The Company does not have any cross-shareholdings with any other company.

Capital structure

2.1 Capital on the disclosure deadline

Ordinary share capital
As at 31 December 2023, the Company's ordinary share capital amounted to CHF 92,335,860 fully paid in and divided into 9,233,586 registered shares with a par value of CHF 10.00 each.

The market capitalisation of the Company at 31 December 2023 was CHF 32,169,813,624.

2.2 Capital band and conditional capital in particular; Capital range

At the Annual General Meeting of Shareholders 2023, a new capital band was introduced in the Articles of Incorporation.

As per article 3a of the Company's Articles of Incorporation, the Board of Directors of the Company is authorised to increase (but not reduce) the share capital of the Company within a capital band ranging from CHF 92,335,860 (lower limit) to CHF 101,569,450 (upper limit), once or several times and in any amounts, by issuing up to 923,359 fully paid-in registered shares with a par value of CHF 10 each. The capital band therefore amounts to a maximum of 10% of the existing share capital of the Company.

The authorisation granted to the Board of Directors of the Company is valid until 23 March 2028, absent any earlier expiry of the capital range.

The advance subscription rights of shareholders may be excluded by the Board of Directors of the Company in order to finance acquisitions of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or other assets, to broaden the shareholder constituency of the Company in certain financial or investor markets, to allow the participation of strategic partners, including financial investors, or in connection with the listing of shares on domestic or foreign exchanges.

Conditional share capital based on the Capital range
At the Annual General Meeting of Shareholders 2023, the existing conditional share capital of the Company provided in article 3b of the Articles of Incorporation was repealed and replaced by a conditional capital based on the capital range.

Pursuant to the amended article 3b of the Company's Articles of Incorporation, the Company's share capital can be increased based on the capital range by issuing up to 923,359 fully paid-in shares (CHF 9,233,590) through the voluntary or mandatory exercise of exchange, option or conversion rights granted, among others, in connection with the issuance by the Company or another Group company of bonds, options, warrants or other financial instruments (the “Financial Instruments”).

The advance subscription rights of the shareholders are excluded for the issuance of shares based on Financial Instruments. The Board of Directors is authorised to exclude the shareholders' advance subscription right to subscribe to Financial Instruments for an important reason such as provided under the capital band, or if the Financial Instruments are issued on adequate terms. In that case, Financial Instruments must be offered to the public taking into account the shares' market price and during a limited period of time.

The acquisition of shares through the exercise of option or conversion rights and the transfer of such shares are subject to restrictions as described in article 5 of the Articles of Incorporation.

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2.3 Changes in capital

The information regarding the year 2021 is available in note 7 to the statutory financial statements of the 2021 Financial report. Details of the changes in equity for the years 2022 and 2023 are given on pages 121–123 in note 8 to the statutory financial statements included in the 2023 Financial report.

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2.4 Shares and participation certificates

The Company has one class of shares only. All shares are registered shares with a par value of CHF 10.00 each. Subject to the limitations described below, all shares have the same rights in all respects. Every share gives the right to one vote and to an equal dividend.

2.5 Dividend-right certificates

Other than the registered shares, dividend-right certificates and participation certificates do not exist.

2.6 Limitations on transferability and nominee registrations

2.6.1 Limitations on transferability for each share category; indication of statutory group clauses and rules for granting exceptions

The Company has no limitations on transferability of shares.

2.6.2 Reasons for granting exceptions in the year under review

This is not applicable because the Company has no limitations on transferability of shares.

2.6.3 Permissibility of nominee registrations; indication of any percent clauses and registration conditions

Subject to the provisions mentioned in the next paragraph, registration with voting rights in the Company's share register is conditional on shareholders declaring that they have acquired the shares in their own name and for their own account.

Based on a regulation of the Board of Directors, nominee shareholders may be entered with voting rights in the share register of the Company for up to 2% of the share capital without further condition, and for more than 2% if they undertake to disclose to the Company the name, address, nationality and number of shares held by the beneficial owners.

2.6.4 Procedure and conditions for cancelling statutory privileges and limitations on transferability

Limitations on transferability and nominee registrations may be changed by a positive vote of the absolute majority of the share votes represented at a shareholders' meeting.

2.7 Convertible bonds and warrants/options

There are no bonds or warrants outstanding that are convertible into shares of Givaudan SA.

Board of Directors

According to Givaudan's Articles of Incorporation, the Board of Directors may consist of between seven and nine members.

In 2023, three members retired from the Board (Mr. Werner Bauer, Mrs. Lilian Biner, Mr. Michael Carlos) and the Board added one new member, Mr. Roberto Guidetti, who joined the Board as well as the Audit Committee. At the Annual General Meeting in March 2023, Calvin Grieder was re-elected as Chairman. Ingrid Deltenre was appointed Vice-Chairman by the Board.

Membership of the Board is composed in such a way as to ensure it possesses all the competencies required to execute its strategic oversight and control over Givaudan. The Board's knowledge and diversity of experience are important assets in governing a company of Givaudan's size in a complex and fast-changing environment. Each of the current seven Board members has an in-depth knowledge of his or her relevant areas of expertise. Together, they ensure that the Company has all the competencies required.

1. Victor Balli
2. Sophie Gasperment
3. Olivier Filliol
4. Calvin Grieder
5. Ingrid Deltenre
6. Tom Knutzen
7. Roberto Guidetti

Given the Company's business and its current 2025 strategy of 'Committed to Growth, with Purpose', the most relevant and important required competencies include:
- International senior business leadership including people management
- Track record in strategic planning and execution
- In-depth knowledge of our industry
- Financial expertise
- Skilled in driving innovation and leveraging technology for business growth
- Proven expertise in sales and marketing strategies
- Commitment to high ethical standards and integrity
- Knowledge and experience in compliance and regulatory matters
- Understanding and awareness of Environment, Social and Governance (ESG) considerations

The Board considers sustainability and ESG matters an integral part of the Company's strategy. Therefore, familiarity with ESG matters is required from all Board members, as are strong ethical values.

The Board regularly reviews the list of competencies and has established a long-term skill matrix for the assessment of existing and required competencies, which is used as a basis for Board succession planning.

SKILLS AND DIVERSITY GRID

Name	Education	Professional Executive Experience	Present mandates in other listed companies	Sector	Special skills/ designation	Nationality	Year of birth	First elected
Calvin Grieder	Engineering (MSc, ETH Zurich) Advanced Management Program, Harvard University	› Former CEO Bühler › Former Head of the Mobile and Internet business, Swisscom Telecom Ltd. › Various former executive positions in the fields of automation and control	› SGS (Chairman)	› Food processing technologies › Manufacturing (automation)	CEO of international trade companies. Digital trasformation and built ESG services	Swiss	1955	2014 (chairman since 2017)
Ingrid Deltenre	Journalism, Educational Sciences and Biological Anthropology (M.A., University of Zurich)	› Former Director General of the European Broadcasting Union (EBU) › Former Director Schweizer Fernsehen, › Former Director Publisuisse	› Banque Cantonale Vaudoise › Deutsche Post/DHL.	› Media › Marketing	CEO; As CEO: Transformation of Production and Distribution from Analog to Digital, Implementation of Omnichannel-Strategy, driving content innovation, improving cybersecurity resilience, managing a multicultural organisation	Dutch, Swiss	1960	2015 (vice chair-women since 2022)
Victor Balli	Economics (Masters, University St. Gallen), Chemical Engineering (Masters, Swiss Federal Institute of Technology, ETH Zurich)	› Former CFO Barry Callebaut AG › Former CEO EMEA Minibar	› KWS Saat SE & Co. KGaA › SIKA AG › Medacta International SA	› Food and Beverages › Specialty Chemicals › Agribusiness › MedTech	CFO of public company Global B2B ingredient business, financial excellence, capital market, risk management & governance, M&A and Sustainability	Swiss	1957	2016

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Name	Education	Professional Executive Experience	Present mandates in other listed companies	Sector	Special skills/ designation	Nationality	Year of birth	First elected
Olivier Filliol	Business administration (Masters and PhD, University St. Gallen, CH)/ Executive Education Programs (Stanford, USA)	› Former CEO Mettler Toledo; › Former strategy consultant, Bain & Company › Venture Capital Partner	› Straumann Group › Mettler Toledo (until May 2023)	› Life Science Tools › MedTech › DeepTech	CEO of public company, Global Market Expansion & Marketing, Digital Innovation, ESG, M&A	Swiss	1967	2020
Sophie Gasperment	Economics/business administration (ESSEC business school, INSEAD, France)	› Former global CEO, The Body Shop › Former Managing Director, L'Oréal UK UK/Ireland	› Kingfisher plc › Cimpress › D'Ieteren Group (until May 2023)	› Consumer Goods and Sevices › Beauty and Personal care › Digital	CEO of global company, strategy, innovation, ESG, consumer marketing, digital, talent development, sustainability agenda	French	1964	2020
Roberto Guidetti	Economics (Bologna University), MBA (C.U.O.A. Business School, Italy), Executive Education Program (Harvard Business School)	› CEO Vitasoy › Former Vice President, The Coca Cola Company China › Former Vice President Procter & Gamble (Europe, China)	› Vitasoy › Ariston	› Food and beverage › FMCG and Beauty Care › Industrial B2B Heating systems	CEO, Marketing, Sales, General Management, Local/Regional/Global roles based in Europe (Italy, Greece, UK) and Asia (China), ESG / Sustainability	Italian	1963	2023
Tom Knutzen	Economics and Business Administration (MSc) Copenhagen Business School, Denmark	› Former CEO Jungbunzlauer Suisse AG › Former CEO Danisco A/S › Former CFO/CEO NKT Holding A/S	› Tivoli A/S (Chairman) › FLSmidth & Co. A/S (Chairman) › Jeudan A/S (Vice chairman)	› Food and beverage › Ingredients › Technology › Manufacturing	CEO, CFO AS CEO: Global biotech/ ingredients, manufacturing, M&A, integration/ restructuring, innovation, B2B, strategy, cultural change, listed companies	Danish	1962	2022

3.1 Members of the Board of Directors

As of 31 December 2023, the following were members of the Board of Directors:

Calvin Grieder

Chairman

- Swiss national, born in 1955
- Non-executive
- First elected in 2014
- Chairman since 2017

In 1980, Calvin Grieder started his career as Marketing Manager with Georg Fischer Ltd in Switzerland and continued in various executive positions at Swiss and German companies in the field of automation and control, including Swisscom Telecom Ltd, where he served as Head of the Mobile and Internet business. He was CEO of the international engineering group Bühler from 2001 to 2016, a worldwide leader in food processing technology.

Calvin Grieder holds the following mandate in a company quoted on an official stock exchange: Chairman of the Board of SGS SA, world leader in testing, inspection and certification.

He holds the following mandates in companies that are non-quoted: Chairman of the Board of Bühler Group, Chairman of the Board of Eraneos group, member of the Board of Trustees of Avenir Suisse, owner and member of the Board of Carivel7 AG.

Calvin Grieder holds a Master of Science from the ETH Zurich and has completed an Advanced Management Program (AMP) at Harvard University.

Ingrid Deltenre

Vice-Chairwoman

- Dutch & Swiss national, born in 1960
- Non-executive
- First elected 2015

Ingrid Deltenre has held several executive positions in the press and media including Director of Publisuisse from 1999 to 2004, and Director of the leading public TV broadcaster in German-speaking Switzerland, Schweizer Fernsehen, from 2004 to 2009. In 2010, she became Director General of the Geneva-based European Broadcasting Union (EBU), a position she held until June 2017.

She holds the following mandates in companies that are quoted on an official stock exchange: member of the Board of Banque Cantonale Vaudoise and member of the Supervisory Board of Deutsche Post/DHL.

She is also a member of the Board of SPS AG, member of the Executive Board of the Executive Education of the University of Zurich and member of the Foundation Board Schweizer Berghilfe.

Ingrid Deltenre holds a Master of Arts in Journalism, Educational Sciences and biological Anthropology from the University of Zurich.

Victor Balli

Director

- Swiss national, born in 1957
- Non-executive
- First elected in 2016

Victor Balli started his professional career in 1985, working as a Financial Analyst & Business Development Manager with EniChem International SA in Zurich and Milan. From 1991 to 1995, he worked as a Principal with Adinvest AG, a corporate finance advisory company with offices in Zurich, San Francisco, New York, and London. Victor Balli held various positions at Minibar, a leading hospitality supplier, between 1996 and 2005, most recently as Chief Executive Officer EMEA as of 2005. From 2007 to 2018 Victor Balli was Chief Financial Officer and member of the Executive Committee of Barry Callebaut AG, a leading manufacturer of high-quality chocolate and cocoa products.

Victor Balli holds the following mandates in companies that are quoted on an official stock exchange: member of the Boards of plant breeding and seed producer KWS Saat SE & Co. KGaA, multinational specialty chemical company SIKA AG and medical devices company Medacta International SA.

He holds the following mandates in companies that are non-quoted: Member of the Boards of the Federal Audit Oversight Authority, Hemro AG and the Supervisory Board of Louis Dreyfus Company International Holding B.V.

Victor Balli has a Masters in Economics from the University of St. Gallen and a Masters in Chemical Engineering from the Swiss Federal Institute of Technology in Zurich.

Olivier Filliol

Director

- Swiss national, born in 1967
- Non-executive
- First elected 2020

Olivier Filliol started his professional career as a strategy consultant with Bain & Company, working in the Geneva, Paris and Sydney offices. In 1998, he joined Mettler Toledo International Inc., a global manufacturer and marketer of precision instruments for use in laboratory, industrial and food retailing applications. From 1998 to 2021 he served in various positions including General Manager of the company's North American checkweighing operations, Head of Process Analytics and Head of Global Sales, Service and Marketing and, from 2008 until 2021, as President and Chief Executive Officer.

He holds the following mandates in companies that are quoted on an official stock exchange: member of the Board of Directors of Straumann Group and Mettler Toledo International Inc. (until May 2023).

Olivier is an active investment partner in more than 20 venture capital funded start-ups, with a focus on the life science tools, MedTech and digital tech spaces.

Olivier Filliol holds a Master (lic. oec.) and Ph.D. (Dr. oec.) in Business Administration from the University of St. Gallen, Switzerland. He also completed executive education at the Business School of Stanford University.

Sophie Gasperment

Director

- French national, born in 1964
- Non-executive
- First elected 2020

Sophie Gasperment joined L'Oréal from business school, in 1986. After 14 years in operational and strategic marketing positions, she was appointed General Manager for L'Oréal in the UK. She remained UK-based for the following 14 years, notably as L'Oréal UK/Ireland Managing Director, as well as Chair and Global Chief Executive Officer of The Body Shop. She then led L'Oréal's Strategic Prospective and the Group's financial communication, with a specific focus on digital acceleration. Since 2019, she has been Senior Advisor at Boston Consulting Group, Non-Executive Director of listed companies and Angel investor in a number of innovative ventures.

Sophie Gasperment holds the following mandates in listed companies: Member of the Board of Kingfisher plc., Member of the Supervisory Board of D'Ieteren Group (until May 2023), Independent Director of Nasdaq-listed technology company Cimpress.

She holds the following mandate in companies that are non-quoted: Independent director at SPDG (since October 2023).

She is a graduate of ESSEC business school and of INSEAD and has contributed to the Business Advisory Council of Saïd Business School, Oxford University.

Roberto Guidetti

Director

- Italian national, born in 1963
- Non-executive
- First elected in 2023

Roberto Guidetti started his career in 1988 at Procter & Gamble where he held positions in Marketing and General Management in Italy, Greece, United Kingdom, China, lately becoming Vice President & General Manager of Procter & Gamble Taiwan. Between 2007 and 2013 he held positions in Business Strategy and General Management for the Coca-Cola Company in China, until the latest position of Vice President, Mainland China Franchise, responsible for the P&L of the operations of the company in China, managing the JVs with Swire, COFCO and Bottling Investment Group. Since 2013 he is Group CEO of Vitasoy International Holdings Ltd., a company active in the food and beverage industry, and since 2014 also serves as one of its directors.

Roberto Guidetti holds the following mandates in companies quoted on an official stock exchange: in addition to his position at Vitasoy International Holdings Ltd., he is a member of the board of Ariston Group (Italy), a manufacturer of heating systems and related products.

Roberto Guidetti graduated in Economics and Business at the University of Bologna and completed an MBA in Corporate Organisation at the C.U.O.A. of Altavilla Vicentina. He attended the Executive Education program at Harvard Business School.

Tom Knutzen

Director

- Danish national, born in 1962
- Non-executive
- First elected 2022

Tom Knutzen started his career in the finance industry in 1985 before turning to the business-to-business manufacturing sector in 1988 where he has held several executive positions since.

From 1988 to 1996 he was successively Head Treasury, Controller and Chief Financial Officer at spray-drying manufacturer Niro, from 1996 to 2006 he was Chief Financial Officer and Chief Executive Officer at industrial conglomerate NKT Holding A/S (cleaning equipment, energy cables and telecommunication equipment), and Chief Executive Officer of international ingredients manufacturer Danisco A/S from 2006 to 2012. From 2012 to 2022 he was Chief Executive Officer of natural biodegradable ingredients producer Jungbunzlauer Suisse AG.

Tom Knutzen holds the following mandates in companies that are quoted on an official stock exchange: Chairman of the board of the entertainment company Tivoli A/S and of engineering company FLSmidth & Co. A/S; Vice chairman of the board of real-estate company Jeudan A/S.

He holds the following mandates in companies that are non-quoted: Vice chairman of the board of the media company Egmont International Holding A/S and Board member of Jungbunzlauer Holding AG.

Tom Knutzen holds a Master of Science in Economics and Business Administration from the Copenhagen Business School, Denmark.

3.2 Other activities and vested interests

Please refer to the biographies of the Board members described in section 3.1 for their other activities and vested interests.

Except for those described in section 3.1, no Board member of Givaudan SA holds any material permanent management or consultancy functions for significant domestic or foreign interest groups nor any significant official functions or political posts. The Board of Directors assesses the independence of its members.

As at 31 December 2023, all members of the Board of Directors were non-executive and independent in accordance with article 15 of the Swiss Code of Best Practice for Corporate Governance. None of the Board members has important business connections with Givaudan SA or any of its affiliates.

3.3 Number of permitted activities

Pursuant to art. 626 alinea. 2 point 1 of the Swiss Code of Obligations the Articles of Incorporation need to specify the number of permitted activities for Board and Executive Committee members. Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Board of Directors:

– Members of the Board of Directors may not hold more than four additional mandates in companies that are quoted on an official stock exchange and seven additional mandates in non-quoted companies.

– The following mandates are not subject to these limitations:

  - mandates in companies which are controlled by the corporation

  - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates

  - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

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3.4 Elections and terms of office

3.4.1 Principles of the election procedure, rules differing from the statutory legal provisions with regard to the appointment of the Chairman, the members of the Compensation Committee and the independent proxy

None of the rules regarding the appointment of the Chairman, the members of the Compensation Committee and the independent proxy deviate from the statutory legal provisions. All Board members, the Chairman, the members of the Compensation Committee and the independent proxy are elected annually and individually for a term of one year, being the time from one ordinary Annual General Meeting to the next one.

3.4.2 For each Board member: date of first election to Board and attendance of meetings

For the dates of first election to the Board and attendance of Board and committee meetings, please refer to section 3.1 'Members of the Board of Directors' pages 12 to 13, and the table on meetings attendance on page 16.

3.5 Internal organisational structure

3.5.1 Allocation of tasks within the Board of Directors

The Chairman is elected annually at the Annual General Meeting. He prepares the agenda and chairs meetings of the shareholders, convenes, prepares and chairs the meetings of the Board of Directors, coordinates the work of the Board committees, prepares and supervises the implementation of resolutions of the Board of Directors (to the extent not delegated to a committee), supervises the course of business and the activities of the Executive Committee, proposes succession candidates for appointment to the Board of Directors or to the Executive Committee and proposes the global remuneration of the Chief Executive Officer and other members of the Executive Committee to the Compensation Committee.

The Chairman receives all invitations and minutes of Committee meetings and is entitled to attend these meetings. The Chairman further decides in cases which fall under the tasks and powers of the Board of Directors, but in which a timely decision of the Board of Directors cannot be made because of urgency. In such cases, the Chairman informs the members of the Board of Directors as quickly as possible and the corresponding resolution is minuted at the next Board meeting.

If the Chairman is unable to act, the Vice-Chairwoman exercises his functions, assuming all his tasks and powers.

3.5.2 Members list, tasks and area of responsibility for each committee of the Board of Directors

The Board of Directors has established four Committees: An Audit Committee, a Nomination and Governance Committee, a Compensation Committee and an Innovation Committee. Each committee is led by a Committee Chairman whose main responsibilities are to organise, lead and minute the meetings. For the participation of the Board members in the committees, please refer to the table on page 16.

The Board of Directors has the oversight of all Environmental, Social and Governance (ESG) aspects, including the sustainability strategy and targets. They consider sustainability and ESG matters an integral part of the Company's strategy and thus have not established a dedicated committee for sustainability/ESG matters. The Board tables and discusses selected ESG topics at each Board meeting, and certain aspects of sustainability and ESG matters are reviewed in the various committees as appropriate, including ESG criteria for executive remuneration in the Compensation Committee. The Directors benefit from training.

Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, the systems of internal controls and the audit process. It carries out certain preparatory work for the Board of Directors as a whole. The Audit Committee currently consists of four members of the Board. All of them have the requisite financial experience.

The Audit Committee ensures that the Company's risk management systems are efficient and effective. It promotes effective communication among the Board, management, the internal audit function and external audit. It reviews and approves the compensation of the external auditors for the annual audit.

The Audit Committee held four regular meetings in 2023, each lasting approximately 3 to 4.5 hours. The Head of Internal Audit, the Chief Financial Officer, the Corporate Ethics & Compliance Officer and the External Lead Audit Partner attended all meetings, apart from certain private sessions. The Chairman of the Board attended all four meetings. In 2023, the Audit Committee also held a 2 hour training session on International Financial Reporting (IFRS), hedging and cybersecurity. All Audit Committee members attended this training session as did the Chairman of the Board and the CFO.

Compensation Committee

The Compensation Committee reviews and recommends the compensation policies to the Board of Directors. It approves the remuneration of the Chief Executive Officer and the other members of the Executive Committee as well as all performance-related remuneration instruments and pension fund policies. Since the Swiss Ordinance against Excessive Compensation came into force, the Committee prepares the Compensation Report to be established by the Board.

The Compensation Committee consists of three members of the Board who are elected annually by the Annual General Meeting of shareholders in accordance with the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC). The Committee takes advice from external independent compensation specialists and consults with the Chairman and the Chief Executive Officer on specific matters where appropriate.

In 2023, the Compensation Committee met four times. The average duration of each meeting was approximately 1 to 2.5 hours. During these meetings the Committee reviewed, among other things, the short-term and long-term incentive plan parameters as well as the alignment of Executive Committee and Board of Directors compensation with the Company's principles and policy and

MEETINGS: ATTENDANCE 2023

	Number of Board meetings/calls attended		Number of Audit Committee meetings/calls attended	Number of Compensation Committee meetings/calls attended	Number of Nomination and Governance Committee meetings/calls attended	Number of Innovation Committee meetings/calls attended
Board member	ordinary	extraordinary				
Calvin Grieder	6 (as chair)	1 (as chair)	4 (as guest)	4 (as guest)	4 (as chair)	2
Ingrid Deltenre	6	1		2 (as chair) 2 (as member)	4	
Victor Balli	6	1	4 (as chair)	4		
Prof. Dr-Ing. Werner Bauer (Board member until 23 March 2023)	2			2 (as chair)		
Lilian Biner (Board member until 23 March 2023)	2		1			
Michael Carlos (Board member until 23 March 2023)	2				1	
Olivier Filliol (Audit Committee member until 23 March 2023; Compensation Committee member since 23 March 2023)	6	1	1	2		2
Sophie Gasperment	6	1	4		4	1 (as guest)
Tom Knutzen (Audit Committee member since 23 March 2023)	6	1	3			2 (as chair)
Roberto Guidetti (Board member and member of the Audit Committee since 2023)	4	1	3			
Meetings held in the year	6	1	4	4	4	2
Average length of meetings	1 to 1.5 days ordinary meetings; 2 hours constitutive meeting	1.5 hours	3 to 4.5 hours	1 to 2.5 hours	1 to 2.5 hours	5 hours

purpose ambitions. The Committee also reviewed the design of the long-term incentive plan to ensure alignment with the Givaudan 2025 strategy and the purpose ambitions. The Chairman, the Chief Executive Officer, the Head of Global Human Resources and/or the Head of Compensation and Benefits attended relevant sections of the meetings.

READ MORE
On the role of this committee in establishing and reviewing compensation policies › Compensation committee › p33

Nomination and Governance Committee

The Nomination and Governance Committee assists the Board in applying the principles of good corporate governance. It prepares appointments to the Board of Directors and the Executive Committee and advises on the succession planning process of the Company. It consists of four members of the Board.

The Nomination and Governance Committee met four times during 2023, to review the independence of Board members and to review the succession plans of critical leadership positions as well as the evolution of the board succession. Each meeting lasted between 1 and 2.5 hours. The CEO and the Head of Global Human Resources attended relevant sections of the meetings. They also reviewed the composition of the committees following the departure of 3 Board members at the Annual General Meeting in March 2023.

Innovation Committee

The Innovation Committee advises the Board on scientific matters relevant to the flavour, natural ingredients and fragrance and cosmetics industries, or other additional fields the Board may request. It acts as a sounding board for matters of innovation to the Board of Directors, reviewing activities in different fields of research, looking at new opportunities and possible partnerships and reviewing projects on a detailed basis as required.

It also serves as a platform for Board dialogue with the relevant members of the Executive Committee and the divisional Heads of Science and Technology. The Innovation Committee consists of five members of the Board.

The Innovation Committee met twice during 2023. On average each meeting lasted approximately five hours. The Executive Committee as well as the divisional Heads of Science and Technology were present. External speakers also attended relevant parts of the meetings. The Committee reviewed key areas of the innovation programme, which included naturals, nutrition, cultured meats, biotechnology delivery systems and external innovation collaborations as well as innovation to deliver on the nature pillar of the Company's purpose.

Board committees

Audit Committee

Victor Balli (Chair), Sophie Gasperment, Tom Knutzen, Roberto Guidetti

- Assists the Board in its oversight responsibilities with respect to financial and non-financial reporting including on ESG matters
- Ensures effectiveness and efficiency of internal control, risk management and compliance systems
- Assesses and overviews the internal and external audit processes

Compensation Committee

Ingrid Deltenre (Chair), Victor Balli, Olivier Filliol

- Reviews and recommends the compensation policies to the Board
- Approves the remuneration for the Executive Committee, ensuring that the compensation strategy is aligned with the purpose goals and ambitions
- Prepares the Compensation Report

Nomination and Governance Committee

Calvin Grieder (Chair), Ingrid Deltenre, Sophie Gasperment

- Assists the Board in setting and reviewing principles of good corporate governance as part of its ESG requirements
- Prepares appointments to the Board and the Executive Committee

Innovation Committee

Tom Knutzen (Chair), Calvin Grieder, Olivier Filliol

- Assists the Board in scientific matters relating to the flavours, fragrances and cosmetics industry
- Identifies opportunities, proposes and screens potential innovation partners, including innovation to advance sustainability and the nature pillar of the purpose ambitions

3.5.3 Work methods of the Board of Directors and its Committees

Board meetings are held periodically and also when matters require a meeting, or on the written request of one of the members of the Board. Ordinary Board meetings are held on average once a quarter plus one additional ordinary Board meeting to approve the Annual Report. The Chairman, after consultation with the Chief Executive Officer, sets the agenda for each Board meeting. Decisions may also be taken by circulation (in writing, including by PDF sent by e-mail) or by telecommunication (including telephone and videoconference), provided that none of the Board members requests a formal meeting.

Meetings of Board Committees are usually held in connection with Board meetings, with additional meetings scheduled as required. The Board of Directors receives regular reports from its Committees and the Chairman, as well as from the Executive Committee.

Minutes of Committee meetings are prepared by the secretary of the respective Committee and circulated to all Board members. In preparation for Board and committee meetings, the Board members involved receive pertinent information for pre-reading via a secure electronic document sharing system.

In 2023 the Givaudan Board of Directors held six regular meetings including one constitutive meeting directly following the general meeting of shareholders. In addition, the Board held one extra-ordinary meeting and passed one resolution by circulation. One regular meeting was held by videoconference and five, including the constitutive meeting, were held in person at the Company's sites in Vernier and Kempthal, Switzerland and Singapore. The ordinary meetings lasted for an average of one and a half day each, the constitutive meeting lasted for two hours.

Apart from the constitutive meeting directly following the general meeting of shareholders, the Company's operational and financial performance as well as ESG/sustainability and other relevant topics were presented by management and reviewed by the Board during each Board meeting. The Board was also informed about, and discussed all major business development and investment projects, management succession planning and compensation and other major business items as well as the findings of Internal Audit and risk management. The Chief Executive Officer, the Chief Financial Officer and the presidents of the two divisions were present at all ordinary meetings, except for the constitutive meeting and certain closed sessions. The other members of the Executive Committee attended five ordinary meetings. Selected senior managers were invited to address specific projects at ordinary Board meetings. The Head of Internal Audit and the Corporate Ethics & Compliance Officer each reported once to the Board of Directors.

To ensure that the Board always remains able to exercise effective oversight and leadership of the Company, the Board conducts an annual self-assessment. The assessment starts with an anonymous survey of all Board members organised by the Board Secretary. The results of the survey are summarised by the Chairman and discussed by the full Board. Any findings are addressed to ensure the continued effectiveness of the Board. In 2023 the Board conducted one annual self-assessment. In 2023 the Board of Directors also revised its internal regulation as well as all committee charters.

The Board also held continuous discussions of succession planning for itself and for the Executive Committee. Succession plans are prepared by the Chairman with the support of the Nomination and Governance Committee and discussed in the Committee and with the full Board in closed sessions. Professional executive search specialists support searches of new members on the basis of specific selection criteria based on the evolving competency needs of the Company and in line with diversity considerations.

The attendance of Board members at Board and Committee meetings in 2023 as well as the average duration of the meetings can be seen in the table on page 16.

3.6 Definition of areas of responsibility

The Board of Directors is responsible for the ultimate direction, strategic supervision and control of the management of the Company, as well as other matters which, by law, are under its responsibility. This includes the establishment of medium- and long-term purpose, strategies and of directives defining Company policies and the giving of the necessary instructions in areas such as acquisitions, major investments and long-term financial commitments exceeding certain thresholds. The Board of Directors has also the ultimate direction in all ESG matters of the Company.

In accordance with Swiss law, the Articles of Incorporation and the Board Regulations of Givaudan, the duties of the Board of Directors include the following matters:

- the ultimate management of the Company and, in particular, the establishment of medium- and long-term strategies and of directives defining Company policies and the giving of the necessary instructions
- the establishment of the organisation
- the approval of the annual Group budget
- the structuring of the accounting system and of the financial controlling, as well as the financial planning
- the assessment of the Company's risk management
- the decision on investments in, or divestments of, fixed and tangible assets of a global amount exceeding the limit set by the corporate investment guidelines established by the Board of Directors
- the appointment and removal of the persons entrusted with the management and representation of the Company, in particular the Chief Executive Officer and the other members of the Executive Committee
- the ultimate supervision of the persons entrusted with the management, in particular with respect to compliance with the law, the Articles of Incorporation, regulations and instructions given in any areas relevant to the Company, such as working conditions, environmental protection, trade practices, competition rules, insider dealing and ad hoc publicity
- the preparation of the annual business report, as well as the preparation of the Annual General Meeting of shareholders and the implementation of its resolutions
- the notification of the court in case of insolvency

- the decisions regarding the subsequent performance of contributions on shares not fully paid in
- the ascertainment of share capital increases to the extent that these fall under the powers of the Board of Directors and resulting confirmations and modifications to the Articles of Incorporation
- the verification of the special professional qualifications of the auditors.

Except as otherwise provided by Swiss law, the Articles of Incorporation and the Board Regulations, all other areas of management are fully delegated by the Board of Directors to the Chief Executive Officer, the Executive Committee and its members.

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www.givaudan.com › Our company › Responsible business › Position statements, policies, rules, reports › **Board regulations of Givaudan**

3.7 Information and control instruments vis-à-vis the Executive Committee

Management information system

The Board ensures that it has sufficient information for appropriate decision-making through a management information system with wide-ranging information rights for the Board members. The Board recognises that in order to be able to carry out its tasks of ultimate direction of the Company and supervision of the management, it needs to be fully informed about all matters that materially impact Givaudan. To ensure this, the Board has at its disposal an information and control system which comprises the following instruments:

- the Chairman of the Board receives invitations and minutes of Executive Committee meetings on a regular basis and the Chief Executive Officer and the Chief Financial Officer report regularly to the Chairman of the Board of Directors
- the Chief Executive Officer and the Chief Financial Officer are present and report at all regular Board meetings and answer all requests for information by the Board members about any matter concerning Givaudan that is transacted. Other members of the Executive Committee and selected senior managers are regularly invited to address specific projects at regular Board meetings. All members of the Executive Committee have a duty to provide information at meetings of the Board of Directors on request
- the Head of Internal Audit and the Corporate Ethics & Compliance Officer report to the Board once a year. The Board also receives annual reports on Environment, Health and Safety, Sustainability and Risk Management
- the Head of Internal Audit and the Corporate Ethics & Compliance Officer are present and report at each meeting of the Audit Committee. The Chief Financial Officer is also present at all meetings of the Audit Committee, as are the external auditors for relevant sections of the meetings. The Chairman also attends the meetings of the Audit Committee as a regular guest
- the Head of Global Human Resources, the Head of Compensation & Benefits and the Chief Executive Officer are present at each Compensation Committee meeting, except when questions of compensation for Executive Committee members are being deliberated. The Chairman also attends the meetings of the Compensation Committee as a regular guest
- all Board members have access to the full minutes of all Committee meetings
- the Board of Directors receives summarised monthly reports from the Executive Committee, which include performance against key performance indicators
- all Board members are immediately informed on extraordinary events. In addition, the Board members receive relevant information, including media releases and information to investors and financial analysts
- in preparation for each Board meeting, the Board members receive information and reports from the Executive Committee and other members of senior management via a secure electronic document sharing system and other means of communication

- the Board of Directors visits at least one Givaudan country operation per year conditions permitting, where Board members meet members of senior local management. Additionally, Board members are encouraged to visit country operations when travelling and to meet local and regional senior management to allow Board members the opportunity of getting first-hand information on local and regional developments and interacting directly with management across the globe
- the Board has meetings with the Chief Executive Officer, Chief Financial Officer and the other members of the Executive Committee. Any Board member may request from the Chief Executive Officer and other members of the Executive Committee information concerning the course of the business.

Risk management

Givaudan has established an internal risk management process that is based on the Givaudan Enterprise Risk Management (ERM) Charter. It focuses on identifying and managing/exploiting risks and opportunities in all areas of strategic, operational, financial, regulatory, legal and compliance risks including those linked to climate change.

The Board of Directors defines the strategic risk management framework. This process is under the responsibility of the Executive Committee. The risk management process follows a structured assessment, review and reporting cycle that is coordinated by the Head of Corporate Ethics & Compliance and ERM to ensure a harmonised approach.

For each identified strategic top-level Company risk a member of the Executive Committee is designated as the risk owner with the responsibility to manage the risk on a Group-wide basis. Once a year the Executive Committee reports to the Board on the risk management process, the strategic risks and the mitigation actions. Individual risks are also regularly discussed in Board meetings. Corporate Internal Audit provides assurance on the effectiveness of the risk management process.

READ MORE

Detailed information on how we manage risks and opportunities › **2023 Integrated report on economic and ESG performance** › Managing our risks › pp27–38

Internal audit

The Internal Audit function is established as an independent and objective function reporting directly to the Audit Committee.

The mission of Internal Audit is to enhance and protect organisational value by providing risk based and independent assurance, advice and insight. The objective of the audit is to confirm that key risks are adequately controlled, and that underlying processes are functioning as intended and adhered to.

Givaudan corporate strategy, risk management findings, past audit results, management input and changes in the organisation are the elements taken into account to build the annual internal audit plan. Reporting, accountability assignment of audit observations, and regular follow-up ensure the implementation of the audit recommendation as well as the related risk reduction. The individual audits are supervised and conducted by Givaudan internal auditors and dedicated staff from the third party contractor Ernst & Young. Internal Audit applies best professional and ethical practices, such as the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors. The internal audit activity is reported to the full Board of Directors once a year.

Executive Committee

The Executive Committee, under the leadership of the Chief Executive Officer, is responsible for all areas of operational management of the Company that are not specifically reserved to the Board of Directors.

The Chief Executive Officer is appointed by the Board of Directors upon recommendation of the Nomination Committee. Subject to the powers attributed to him, he has the task of achieving the strategic objectives of the Company (including the purpose ambitions) and determining the operational priorities. In addition, he leads, supervises and coordinates the other members of the Executive Committee, including convening, preparing and chairing the meetings of the Executive Committee.

The members of the Executive Committee are appointed by the Board of Directors on recommendation of the Chief Executive Officer after evaluation by the Nomination Committee. The Executive Committee is responsible for developing the Company's strategic as well as long-term business, financial and ESG plans. Key areas of responsibility also include the management and supervision of all areas of the business development on an operational basis, and approving investment decisions.

1. Willem Mutsaerts
2. Anne Tayac
3. Tom Hallam
4. Louie D'Amico
5. Simon Halle-Smith
6. Gilles Andrier
7. Maurizio Volpi

The tasks and powers of the Executive Committee include the approval of investments, leasing agreements and divestments within the corporate investment guidelines. The Executive Committee approves important business projects, prepares the business plan of the Company and the budgets of the individual divisions and functions.

In addition, it plays a key role in the periodic review of the talent management programme, including succession planning for key positions. Alliances and partnerships with outside institutions, such as universities, think tanks and other business partners, are also monitored by the Executive Committee.

The members of the Executive Committee are individually responsible for the business areas assigned to them.

The Executive Committee meets generally on a monthly basis to discuss general Company business and strategy. In 2023 the Executive Committee held twelve regular meetings. All meetings were held in person, seven in Switzerland and the others were held in The Netherlands, Brazil, France, USA and Dubai. In general, meetings lasted two days.

Sustainability

The Executive Committee (EC) is accountable for achieving our Purpose and Sustainability ambitions. Topics related to these ambitions form part of the regular EC meeting agenda in addition to dedicated sessions – held twice a year – for reviewing the overall progress and strategic direction of our purpose / sustainability ambitions.

The Global Head of Procurement and Sustainability is the EC member responsible for sustainability in particular. He leads the Sustainability Leadership Team (SLT), which is made up of internal specialists. The SLT supports the organisation in reaching relevant goals, working closely with Division and functional leaders and managers, and meets on a regular basis to review progress and agree key recommendations for the EC.

The Company has "opted in" to the sustainability reporting in accordance with an internationally recognised standard by informing SIX Exchange Regulation in accordance with Art. 9 DCG in conjunction with Art. 9 Point 2.03 DRRO on 9 November 2023.

READ MORE
On our sustainability governance › **2023 Integrated report on economic and ESG performance** › p168

4.1 Members of the Executive Committee

At 31 December 2023, the following were members of the Executive Committee:

Gilles Andrier

Chief Executive Officer

- French national
- Born in 1961
- Appointed in 2005

Gilles Andrier spent the first part of his career with Accenture in management consulting before joining Givaudan in 1993 as Fragrance Division Controller and Assistant to the Chief Executive Officer. He later held various positions including Head of Fragrance Operations in the USA and Head of Consumer Products in Europe. He was appointed Head of Fine Fragrances, Europe in 2001 before becoming Global Head of Fine Fragrances in 2003 and then CEO of Givaudan in 2005.

Other mandates held by Gilles Andrier are: independent non-executive Director of both Albea SA and Maus Frères SA.

Gilles Andrier graduated with two Masters in Engineering from ENSEEIH Toulouse.

Tom Hallam

Chief Financial Officer

- British & Swiss national
- Born in 1966
- Appointed in 2017

Tom Hallam began his career in the UK working in various industries and positions. He moved to Switzerland in 1996 to join Serono in Geneva, where he held a number of positions of increasing responsibility including Financial Director for Manufacturing Operations, and in 2001 he was appointed Vice President, Corporate Finance. Tom Hallam joined Givaudan in 2008 as Group Controller, based in Vernier, Switzerland with responsibility for financial reporting and compliance, strategic planning and management of Givaudan's business development process. He was appointed Chief Financial Officer effective 1 January 2017.

Other mandates held by Tom Hallam: Non-executive and Independent Director and Chair of the Audit and Risk Committee of Azelis.

Tom Hallam graduated from the University of Manchester, UK with a BA (Hons) in Accounting and Finance and subsequently qualified as a member of the Chartered Institute of Management Accountants.

Louie D'Amico

President Taste & Wellbeing

- US national
- Born in 1961
- Appointed in 2018

Louie D'Amico began his career with Givaudan in sales as key account manager with Fries and Fries. On the merger with Givaudan Roure in 1997, he became the Head of the North America Sweet Goods business unit and later the North America Savoury business unit. In 2003, he relocated to Europe as Head of International Key Account Management and then Head of the Global Beverage business unit. In 2006, Louie D'Amico became Commercial Head of EAME. In 2010, he relocated back to the USA as Head of Flavours Americas. Effective 1 April 2018, he was appointed President of Taste & Wellbeing and a member of the Executive Committee.

Louie D'Amico has a BSc in chemistry from Michigan State University. He has over 30 years of experience in the flavour industry.

Maurizio Volpi

President Fragrance & Beauty

- Italian national
- Born in 1969
- Appointed in 2015

Maurizio Volpi began his career in consumer goods with P&G and Reckitt Benckiser in Italy, working in various marketing roles. In 2000, he joined Givaudan Italy as Account Manager in Milan before moving to Argenteuil in 2003 as Head of Marketing Consumer Products Europe. Maurizio Volpi subsequently took on roles of increasing responsibility at the global level: Head of Global Marketing Consumer Products, Head of Global Marketing and Consumer Market Research for both Consumer Products and Fine Fragrances, and World Account Manager for Unilever. He was appointed Regional Head of Western and Eastern Europe (WEE) for the Consumer Products business in 2012 and in 2015 became President of Givaudan Fragrance & Beauty.

Other mandates held are: member of the Boards of Directors of International Fragrance Association and the Research Institute for Fragrance Materials.

Maurizio Volpi holds a degree in Economics from the Bocconi University in Milan, Italy.

Simon Halle-Smith

Head of Global Human Resources and EHS

- British national
- Born in 1966
- Appointed in 2015

Simon Halle-Smith began his career in the pharmaceutical industry in 1991. He worked with Eli Lilly & Company in the UK in Clinical Trial Project Management, Sales and Human Resources. In 2004, he joined Quest as HR Director for the UK, before being appointed European HR Director in 2005. When Quest was acquired by Givaudan in 2007, he continued as European HR Director before being appointed Head of HR for the Fragrance Division in 2009. In 2015, Simon Halle-Smith became Head of Global Human Resources and a member of the Executive Committee. He took on the additional responsibility for Environment, Health and Safety (EHS) as of March 2017.

Other mandates held are: director of Geranium Management Ltd., United Kingdom.

Simon Halle-Smith has a Bachelors in Biology and Chemistry and a PhD in Biochemistry from the University of East Anglia in the UK.

Willem Mutsaerts

Head of Global Procurement and Sustainability

- Dutch national
- Born in 1962
- Appointed in 2015

Willem Mutsaerts joined Givaudan in 1989, initially with responsibility for sales in Benelux. He moved on to become Regional Account Manager for the APAC region in Singapore before being appointed Head of Global Purchasing for Fragrances. In 2001, he took commercial responsibility for Fragrance consumer products in the EAME region, and in 2007 was appointed Head of Global Operations Fragrances.

Willem Mutsaerts became Head of Global Procurement and a member of the Executive Committee in October 2015. As of March 2017, he took on the additional responsibility of head of Givaudan's Sustainability programme.

Willem Mutsaerts has a degree in international marketing and is the holder of an MBA obtained at Golden Gate University in Singapore.

Anne Tayac

Head of Givaudan Business Solutions

- French national
- Born in 1968
- Appointed in 2016

Anne Tayac began her career as a Quality Assurance coordinator with Robertet in Grasse. She joined Givaudan France in 1996 as Head of Quality Management before being promoted to Global Head of Fragrance Quality Management in 1998. Anne Tayac relocated to Vernier in 2003 where she assumed roles of increasing responsibility in Quality Management, Customer Care, SAP deployment change management, Fragrance and Flavour Supply Chain Excellence and was most recently responsible for leading Global Fragrance Operations. She was appointed as Head of Givaudan Business Solutions in August 2016 to lead our shared service centers, our Centre of Excellence and drive our IT strategy.

Anne Tayac has a Master in Flavours and Fragrances from Sciences University in Le Havre, France and in Analytical Control and Quality from Sciences University in Marseille, France.

4.2 Other activities and vested interests

Please refer to the biographies of the members of the Executive Committee described in section 4.1 for their other activities and vested interests.

Except for those described in section 4.1, no member of the Executive Committee of Givaudan SA holds any material permanent board, management or consultancy functions for significant domestic or foreign interest groups nor any significant official functions or political posts.

4.3 Number of permitted activities

Pursuant to art. 626 alinea. 2 point 1 of the Swiss Code of Obligations the Articles of Incorporation need to specify the number of permitted activities for Board and Executive Committee members. Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Executive Committee:

– Members of the Executive Committee may, subject to approval by the Board of Directors, hold up to two mandates in quoted or non-quoted companies.

– The following mandates are not subject to these limitations:

  - mandates in companies which are controlled by Givaudan SA

  - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates

  - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

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4.4 Management contracts

The Company has not entered into any management contracts with third parties that fall within the scope of Subsection 4.4 of the SIX Directive on Information Relating to Corporate Governance.

Compensation, shareholdings and loans

In accordance with the Swiss Code of Obligations and the SIX Directive on Corporate Governance, Givaudan publishes the details of the remuneration of its Board of Directors and its Executive Committee in the Integrated Report on economic and ESG performance, as well as the Compensation Report and the Financial Report.

Shareholders' participation

6.1 Voting rights restrictions and representation

6.1.1 Rules in the articles of incorporation on restrictions to voting rights, along with an indication of group clauses and rules on granting exceptions, as well as exceptions actually granted during the year under review

At the Annual General Meeting of shareholders on 20 March 2014, the previously existing registration and voting rights restrictions were removed. Today, the Company has no limitations on voting rights for ordinary shareholders.

For restrictions on nominee shareholders, see section 2.6.3.

6.1.3 Reasons for granting exceptions in the year under review

Not applicable as the Company does not have any voting rights restrictions for ordinary shareholders.

6.1.4 Procedure and conditions for abolishing statutory voting rights restrictions as laid down in the articles of incorporation

Any change in the above rules requires a positive vote of the absolute majority of the share votes represented at a shareholders' meeting, as prescribed by Swiss law.

6.1.5 Rules in the articles of incorporation on participation in the general meeting of shareholders, if they differ from the statutory legal provisions

There are no deviations from the Swiss legal provisions.

Any shareholder who, on the day determined by the Board of Directors, is registered as a shareholder with voting rights has the right to attend and to vote at the shareholders' meeting. Each shareholder may be represented at the shareholders' meeting by another shareholder or by any other proxy who need not be a shareholder who is authorised by a written proxy, by a legal representative or by the independent voting rights representative ('independent proxy') elected by the Annual General Meeting of shareholders.

6.1.6 Information on any rules which might be laid down in the articles of Incorporation on the issue of instructions to the independent proxy, and any rules in the articles of Incorporation on the electronic participation in the general meeting of shareholders

Article 10 of the Articles of Incorporation of the Company states that the Board of Directors establishes the rules on shareholder participation and representation in the shareholders' meeting, including the rules on proxies and voting instructions (by electronic means or otherwise).

The Board of directors may provide that a shareholders meeting may be held by electronic means without a physical venue.

6.2 Quorums required by the articles of incorporation

The Articles of Incorporation of Givaudan SA follow the majority rules prescribed by Swiss law for decisions of general meetings of shareholders.

6.3 Convocation of the general meeting of shareholders

The convocation of shareholders registered with voting rights to general shareholders' meetings is made by publication in the Swiss official trade journal (SHAB/FOSC) at least 20 days prior to the day of the meeting. Shareholders representing at least 5% of the share capital or the votes may demand in writing that a shareholders' meeting be convened, setting forth the items to be included on the agenda and the proposals.

6.4 Inclusion of items on the agenda

Shareholders representing shares for a nominal value of at least 0.5% of the share capital or the votes may demand in writing at least 45 days before the meeting that an item be included in the agenda and that proposals pertaining to items on the agenda be included in the notice convening the shareholders' meeting, setting forth the item and the proposal.

6.5 Entries in the share register

Shareholders will be registered with a right to vote in the share register of Givaudan SA until the record date set by the Board of Directors for each shareholders' meeting.

The register date for the ordinary general meeting is specified in the invitation and is set approximately two weeks before the meeting. Only shareholders who hold shares registered in the share register with a right to vote at a certain date, or their representatives, are entitled to vote.

Givaudan SA has not granted any exceptions to this rule.

Change of control and defence measures

7.1 Duty to make an offer

The Articles of Incorporation of Givaudan SA do not contain any rules on opting out or opting up under Swiss law.

General Swiss legal provisions apply, which provide that anyone who acquires more than 33.3% of the voting rights of a listed company is required to make a public offer to acquire all listed securities of the Company that are listed for trading on the SIX Swiss Exchange.

7.2 Clauses on changes of control

In the event of a change of control, restricted share units (RSUs) and performance shares granted, as the case may be, by the Company to members of the Board of Directors and to a total of 505 senior management and employees may vest immediately. The Company does not have any other defence measures against change of control situations.

Auditors

8.1 Duration of the mandate and term of office of the lead auditor

8.1.1 Date of assumption of the current audit mandate

At the Annual General Meeting of shareholders on 23 March 2023, KPMG AG was appointed as Group and statutory auditor of Givaudan SA and its affiliates.

8.1.2 Date on which the lead auditor responsible for the current audit mandate took up office

On 23 March 2023, Ms Hélène Beguin, Partner took up office as responsible lead auditor for the Givaudan audit at KPMG AG.

8.2 Auditing fees

The fees of KPMG for professional services related to the audit of the Group's annual accounts for the year 2023 were CHF 3.8 million. This amount includes fees for the audit of Givaudan SA, its subsidiaries, and of the consolidated financial statements.

8.3 Additional fees

In addition, for the year 2023, KPMG rendered tax and compliance related services for a total of CHF 0.7 million.

8.4 Informational instruments pertaining to the external audit

The external auditor presents the outcome of the audit directly to the Audit Committee after the end of each reporting year.

The Audit Committee conducts an assessment of the audit services provided by KPMG during its regular meetings to evaluate the performance of KPMG as external auditors. For each meeting the external auditors prepare a report in which they comment on their activities and are available for particular questions raised by the Audit Committee. In addition, the Board of Directors meets with the external auditor as well at least once per year.

Furthermore, the Audit Committee reviews and approves the compensation and evaluates and approves other services provided by the external auditor. The Audit Committee and the Board reconsider on an annual basis whether the statutory auditors should be proposed for re-election to the shareholders' meeting.

The scope of the audit is defined in an engagement letter signed by the Chairman of the Audit Committee and the Chief Financial Officer.

During 2023, KPMG attended relevant parts of three Audit Committee meetings. Deloitte attended the relevant part of one meeting in January as they were still the Group and statutory auditor of Givaudan SA and its affiliates.

Information policy

Givaudan's Principles of Disclosure and Transparency are described in detail at:

www.givaudan.com › Our company › Responsible business › Position statements, policies, rules, reports › **Articles of incorporation**

Givaudan's Articles of Incorporation can be found at:

www.givaudan.com › Our company › Responsible business › Position statements, policies, rules, reports › **Articles of incorporation**

Hard copies of Company publications such as the Integrated Report on economic and ESG performance are available on request. Corporate publications such as the Integrated Report and the Half Year Report can also be downloaded from Givaudan's website at:

www.givaudan.com › Investors › Financial results › **Results centre**

Quarterly sales information and other media releases can be found at:

www.givaudan.com › Investors › Financial results › **Results centre**

All relevant information can also be found at:

www.six-swiss-exchange.com › Market data › Shares › **Share explorer**

The complete calendar of events is available at:

www.givaudan.com › Investors › Investor events › **Events calendar**

For further information please contact:
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Quiet periods

To prevent transactions in Givaudan shares and related securities at times where non-public price sensitive facts (as defined under art. 53 Listing Rules) may be available with respect to Givaudan's financials, the Company has enacted blackout periods during which the members of the Board of Directors of the Company, the members of the Executive Committee and all Givaudan employees worldwide are prohibited from dealing in Givaudan shares and related securities.

The blackout periods extend as follow:

– Annual Report and Half Year Report: Blackout periods start 10 trading days before the end of the reporting period concerned and last until close of business on the first trading day following the publication of the report.

– Quarterly sales: Blackout periods start 5 trading days before the end of the reporting period concerned and last until close of business on the first trading day following the publication of the report.

– Blackout periods are without prejudice to the obligation of the members of the Board of Directors of the Company, the members of the Executive Committee and all Givaudan employees worldwide to refrain from dealing in Givaudan shares and related securities at any other times when in possession of price sensitive facts (as defined under art. 53 Listing Rules) relating to Givaudan.

Compensation Report

Reflecting business and individual performance

Givaudan owes its success to a diverse pool of highly engaged and talented people. The Company's compensation policies are an essential component of its employee value proposition and a key driver of both individual and business performance.

Compensation programmes reflect the performance of the business and of individuals and are aligned with the ambition of ensuring that Givaudan is a place where everyone feels welcome, valued and inspired. Rigorous governance, policies and processes to ensure that compensation practices are aligned with Givaudan's principles of integrity, fairness and transparency.

This report on compensation, complementing the integrated report, has been prepared in compliance with, Article 734 of the Swiss Obligations Law which replaced the Ordinance against Excessive Compensation in Listed Stock Companies (OaEC) and with the Directive on Information relating to Corporate Governance, issued by the SIX Swiss Exchange. The report also comprises information required under the Swiss Code of Obligations and takes into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance of Economiesuisse.

Compensation governance

1.1 Compensation Committee

The Compensation Committee supports the Board of Directors (Board) in establishing and reviewing compensation policies. It regularly reviews Company-wide programmes in regard to base salary, pension and benefit plans. The Compensation Committee also annually reviews and recommends the performance targets and related payouts under the annual incentives and share-based long-term incentives for approval by the Board.

The Compensation Committee is also responsible for reviewing and approving individual compensation and benefits of each Executive Committee member except the CEO, as well as recommending compensation and benefits for the CEO and the Board.

The Compensation Committee consists of three independent members of the Board and was chaired by Prof. Dr-Ing. Werner Bauer until the Annual General Meeting in March 2023 when he stepped down and was replaced by Ingrid Deltenre who is now the chair. The Chief Executive Officer (CEO) is regularly invited to Compensation Committee meetings. The Head of Global Human Resources acts as secretary of the Compensation Committee. The Chairman of the Compensation Committee may invite other executives as appropriate. However, executives do not participate in discussions regarding their own compensation.

The Compensation Committee meets four to five times a year and informs the Board of its deliberations, recommendations and resolutions after each meeting. The minutes of the meetings are available to the full Board. The Committee utilises independent external consultants to benchmark the compensation of senior management and the Board.

In 2023, the Compensation Committee reviewed and updated the Compensation Committee Charter which was approved by the Board.

Table I, below, summarises the Compensation Committee standing agenda items and approvals under the updated Charter.

I. COMPENSATION COMMITTEE STANDING AGENDA ITEMS AND APPROVAL

Timing	Agenda items	Proposed[1]	Consultation	Approved
Beginning of year	Compensation report	Compensation Committee		Board of Directors[3]
	Prior year annual incentive achievement and aggregate payments to the Executive Committee	Compensation Committee		Board of Directors[3]
	Set current year performance targets	Compensation Committee		Board of Directors
	Long-term incentive award allocation to Executive Committee	Compensation Committee		Board of Directors
	Maximum amounts for shareholder voting on Executive Committee and Board compensation	Compensation Committee		Board of Directors (preliminary)[3]
Mid-year / end of year	Long-term incentive achievement against targets	Compensation Committee		Board of Directors
	Compensation of the Executive Committee, excluding CEO	CEO[2]		Compensation Committee[3]
	Compensation of the Board of Directors and CEO	Compensation Committee		Board of Directors[3]
	Changes to compensation system (if any)	Compensation Committee	Chairman	Board of Directors
	Preview of key items for next year	CEO / Compensation Committee		–

1. CEO compensation proposed by Chairman of the Compensation Committee.
2. Individual concerned does not attend/abstains.
3. Subject to shareholders' vote (binding vote on maximum compensation amounts and prior year annual consultative vote on Compensation report).

1.2 Specific activities in 2023

Equal pay certification

As part of its commitment to being recognised as a leading employer for inclusion, in addition to the Equal Pay Certifications obtained for Switzerland, Singapore, Mexico and Spain, Givaudan has obtained Equal Pay Certification in a further five countries in 2023: Hungary, France, Argentina, Netherlands and USA. This represents 62% of Givaudan's workforce. The Fair-ON-Pay certificate was received following an external review by SGS.

The Company has a plan to achieve similar recognition in the other markets where it operates, with five major countries for certification in 2024.

1.3 Governance rules

The Articles of Incorporation of Givaudan include rules on the principles applicable to performance-related pay and to the allocation of equity securities, convertible rights and options (Arts. 23–25), additional amounts for payments to Executive Committee members appointed after the vote on pay at the shareholders' meeting (Art. 27), loans, credit facilities and post-employment benefits for the Executive Committee and Board (Arts. 30 and 31) and the vote on pay at the shareholders' meeting (Art. 26).

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In line with Givaudan's Articles of Incorporation, the Board will submit the following maximum aggregate amounts for shareholder approval at the 2024 Annual General Meeting:

- Compensation of the Board for the period until the 2025 ordinary shareholders' meeting
- Short-term variable compensation of the Executive Committee for the 2023 fiscal year (Executive Committee retrospective vote)
- Fixed and long-term variable compensation of the Executive Committee for the 2024 fiscal year (Executive Committee prospective vote).

The calculation approach to be applied for determining the amounts to be approved by shareholders is aligned with the Compensation report valuation methodologies. Full details of the amounts to be submitted for approval will be included in the shareholders' meeting invitation.

Givaudan will also submit the 2023 Compensation report to a consultative vote at the 2024 Annual General Meeting.

Compensation principles

2.1 Board of Directors

In order to reinforce their independence in exercising their supervisory duties, members of the Board receive fixed compensation only. They are not eligible to any performance-based compensation and are not insured in the Company pension plans.

The Board compensation is paid in cash and in the form of Restricted Share Units (RSUs). RSUs are a right to receive shares of Givaudan after a three-year blocking period. They link the compensation with the share price evolution of the Company and strengthen the alignment with shareholders' interests.

2.2 Executives and employees

The ability to attract, motivate and retain the right talented employees globally is key to the continued success of Givaudan. Our competitive remuneration policy supports this ambition and is based on the following principles:

- Pay for performance: through our variable pay plans, employees participate in the Company's overall success and are rewarded for their contribution to business results
- Alignment of interests: Givaudan seeks to align management and shareholders' interests by rewarding long-term value creation through share-based programmes
- External competitiveness: overall compensation positioning should enable Givaudan to attract and retain highly talented individuals critical to its success
- Internal consistency and fairness: internal pay scales reflect job level, function and geographic market.

Givaudan's total compensation in 2023 is composed of the following elements:

- Base salary: base salaries are regularly benchmarked in each location and pay scales are reviewed annually according to local market evolution. As a general rule, pay scales are built around market median
- Profit Sharing Plan: non-management employees participate in the global Profit Sharing Plan. Payouts are based on yearly evolution of Group EBITDA
- Annual Incentive Plan: this plan covers all managers and executives globally. It rewards participants for the achievement of financial targets and other organisational and individual objectives. Depending on the achievement of performance criteria, payouts can vary between 0% and 200% of target payout
- Performance Share Plan: this plan links executives and selected manager compensation to the evolution of the Givaudan share price and long-term business objectives through the award of performance shares. Depending on the achievement of performance criteria, participants may receive between zero and two Givaudan shares per performance share at the end of the three-year vesting period
- Benefits (indirect compensation): benefit plans seek to address current and future security needs of employees. These generally include retirement, health, death and disability benefits. Benefits-in-kind such as Company vehicles are offered to certain employees according to local market practice.

As illustrated in table II, every Givaudan employee's remuneration is linked to Company performance through cash-based and/or share-based variable pay plans and is aligned with Givaudan's compensation principles.

II. GIVAUDAN COMPENSATION

Compensation	Base salary	Profit Sharing Plan	Annual Incentive Plan[1]	Performance Share Plan[1]	Benefits
Participants (number of participants)	All employees (16,000)	Non-management employees (10,000)	Managers and executives (6,000)	Executives and selected managers (500)	All employees (16,000)
Payout	Cash	Cash	Cash	Givaudan shares[2]	Insurances, pension, fringe benefits
Link to compensation principles	Attract and retain highly talented individuals. Provides internal consistency and fairness	Contribution to Group financial objectives	Contribution to Group financial objectives	Alignment of management with long-term targets and shareholders' interests	Protection against risk, attract and retain
Alignment with the 2025 strategy	Nurture a pipeline of industry experts and future leaders to develop skills for sustained success	Reward our people to share in Group profit	Achieve annual organic sales growth and EBITDA target and individual performance objectives	Achieve long-term organic sales growth and free cash flow targets, as well as people and nature ambitions linked to the Givaudan purpose	Same as base salary

1. The Annual Incentive Plan and Performance Share Plan are described in more detail in the next sections.
2. Unless local laws prevent allocation of Givaudan shares, in which case payout is in cash.

Compensation of Givaudan executives

3.1 Compensation benchmarking

The compensation of Givaudan executives, in terms of both structure and level, is regularly benchmarked against individuals in similar positions within selected listed Swiss companies (members of the Swiss Leader Index, or SLI) as well as European companies that are comparable in size and international presence. Comparable European companies included in our benchmarking may be selected from the following industries (Specific companies used for benchmarking of Executive Committee positions are disclosed in section 4.1 page 43):

– Flavour and fragrance
– Consumer products
– Food and beverage
– Speciality chemicals
– Biotechnology
– Ingredients.

To the extent that the median size of the peer group of companies differs from Givaudan's size (taking into account revenue and market capitalisation), regression techniques are applied to adjust raw survey results for strict comparability.

3.2 Compensation mix

The total compensation of Givaudan executives consists of direct and indirect compensation components:

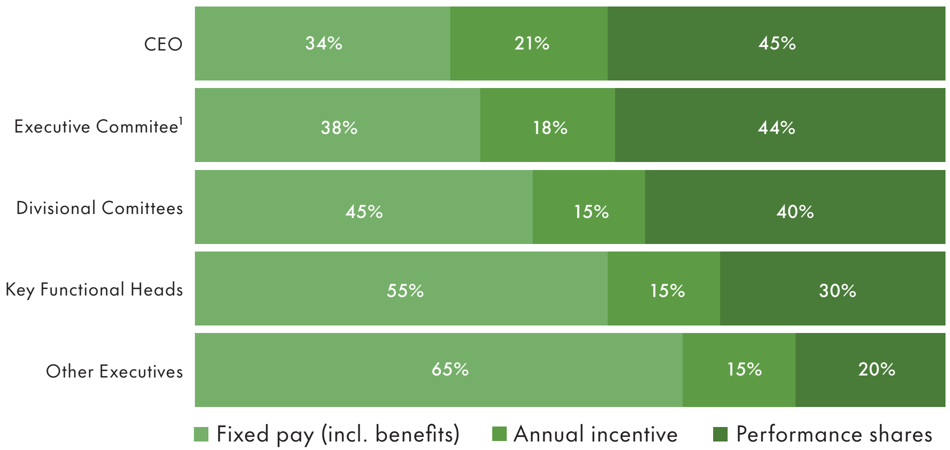
– Direct compensation consists of base salary, annual incentive and share-based components

– Indirect compensation includes retirement coverage, health benefits, death and disability protection as well as certain benefits-in-kind according to local market practice.

Chart III illustrates the direct compensation mix at target for Givaudan executives in 2023.

Table IV below illustrates the structure and purpose of the two incentive schemes.

III. DIRECT COMPENSATION MIX POLICY GUIDELINES



1. Excluding CEO.

IV. VARIABLE COMPENSATION OVERVIEW

	Annual Incentive Plan	Performance Share Plan
Participants	Managers and executives	Key talent and executives
Purpose	To reward managers and executives for the achievement of annual organisational targets and overall individual performance	To link compensation to shareholder value creation and achievement of business objectives including the Givaudan purpose ambitions
Grants	Annual grant	Annual grant
Vesting	End of each year	3 years
Conditions for vesting	Achievement of annual EBITDA and sales growth targets	Achievement of relative sales growth and free cash flow targets over 4 years. Targets also include ESG targets: achievement of net greenhouse gas (GHG) emission reduction, senior leader diversity and employee safety
Payout	Cash	Shares[1]

1. Unless local laws prevent allocation of Givaudan shares, in which case payout is in cash.

3.3 Clawback provisions

As part of the Givaudan compensation programme and ensuring appropriate risk management, all incentive-based compensation (Annual Incentive Plan and Performance Share Plan (PSP)) is subject to clawback provisions. The respective plan rules provide the Compensation Committee with absolute discretion to cancel any payouts that would otherwise be due, including for reasons linked to an individual's performance or behaviour. With regard to the PSP, this means that any right to receive Givaudan shares at the end of the vesting period will lapse if such a determination is made by the Compensation Committee. In 2023, the Compensation Committee did not exercise clawback for any current or former Executive Committee members.

3.4 Base salary

Base salaries are established on the basis of the scope and responsibilities of the function, the external value of the role and the profile of the incumbent in terms of skills, experience and individual performance. To ensure market competitiveness, base salaries are reviewed annually. Base salary adjustments (if any) are based primarily on market evolution, taking into consideration the executive's performance and contribution to Company results.

3.5 Annual Incentive Plan

The Annual Incentive Plan is designed to reward managers' and executives' individual performance and contribution to Givaudan annual objectives.

Performance criteria

In 2023, the Annual Incentive Plan for Executive Committee members was based on the following performance criteria:

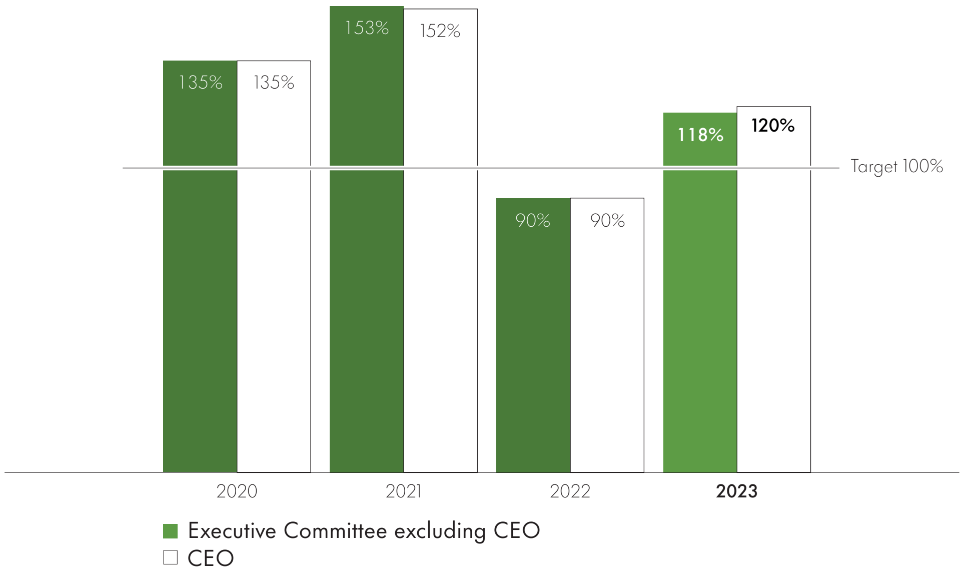
– Sales growth targets in local currencies: 50%
– EBITDA margin targets: 50%

For the purpose of the Annual Incentive Plan, EBITDA is expressed as a percentage of sales. Measurement at Group level is considered, except where divisional level is more appropriate having regard to the members' scope of responsibility.

Givaudan's compensation system has been designed for alignment with the Company's vision and strategy and enshrines the principles of pay for performance. To provide shareholders the ability to assess this performance link and in line with Givaudan's commitment to transparency, the Company discloses ex-post the overall payout factor under its variable pay plans. The disclosure approach protects the Company's commercially sensitive, forward-looking information. Provision of such information, such as relating to Annual Incentive Plan performance targets, could otherwise put the Company and its shareholders at a competitive disadvantage. Details of the Performance Share Plan threshold, targets and maximum are presented in the Compensation report.

Annual incentive payouts for managers and executives below the Executive Committee level are based on a mix of organisational performance objectives, cascaded from Givaudan Group objectives, and individual performance, taking into consideration achievement of personal objectives, day-to-day job responsibilities and the demonstration of behaviours in line with the Givaudan core values.

V. HISTORICAL ANNUAL INCENTIVE ACHIEVEMENT



Incentive targets, caps and payouts

Expressed as a percentage of base salary, annual incentives at target were the following in 2023:
- Chief Executive Officer: 100%
- Chief Financial Officer and Division Presidents: 80%
- Other Executive Committee members: 60%
- Division Management Committee members: 35%–50%
- Other executives and managers: 10%–35%

Based on the performance achievements, incentive payouts may vary between 0% and a cap of 200% of target incentive. Minimum threshold achievement is required, otherwise no annual incentive is paid. The payout cannot be deferred.

In 2023, sales growth was below target and EBITDA was above target. This resulted in 120% of target payout for the Chief Executive Officer, and an average of 118% for the other members of the Executive Committee. Table V summarises historical annual incentive achievement against target since 2020.

3.6 Performance Share Plan

Executives and selected management members are eligible to participate in the Performance Share Plan (PSP), which is designed to reward executives and key talent who significantly influence the long-term success of the business and our purpose ambitions.

PSP participants are granted Performance Shares annually. The total number of Performance Shares granted, and the plan parameters generally, are approved each year by the Compensation Committee. Givaudan applies a policy to cap the maximum value of PSP allocations. For Executive Committee members the annual total grant value per member is approximately two times annual base salary.

Performance Shares vest three years from grant date based on the achievement of performance criteria measured over the performance period. The operation of the PSP is summarised in the following diagram.

Performance target setting

For grants before 2021, performance is measured on the vesting date, based on the extent financial performance criteria have been met over the previous four years. Measuring performance over an extended four-year period is consistent with the long-term outlook of the business.

VI. OPERATION OF THE 2023 PSP PERFORMANCE CRITERIA

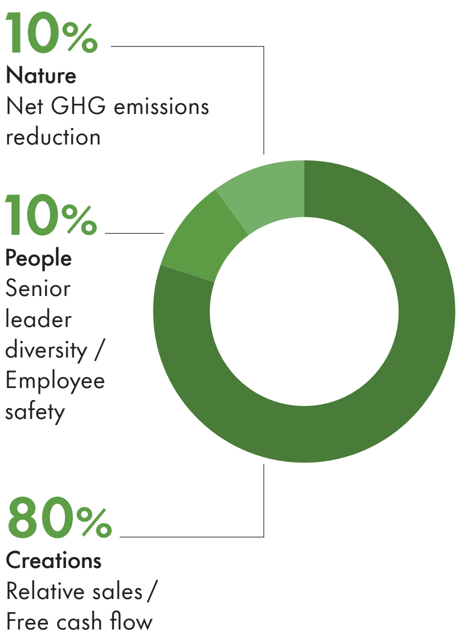
2023	2024	2025	2026
March **Grant date** Receive performance shares			**March** **Vesting date** Receive 0–2 Givaudan shares per performance share, based on the achievement of performance criteria

For grants from 1 January 2021, a new PSP aligned with the Givaudan purpose was introduced. This purpose – Creating for happier, healthier lives with love for nature. Let's imagine together – includes four focus areas: Creations, Nature, People and Communities. The financial metrics of sales and free cash flow previously used to calculate the PSP were retained and updated, and were complemented by non-financial ESG criteria linked to three of the four focus areas of the Givaudan purpose (details on page 40).

Within the focus areas, calculation criteria in the PSP are:
- Creations – relative sales growth and free cash flow
- Nature – net greenhouse gas (GHG) emissions reduction
- People – senior leader diversity and employee safety.

Stretched targets set in the focus areas in the new PSP pave the way for the achievement of our purpose aspirations, and a clear methodology and sufficient data will ensure that these targets are appropriate. All ESG non-financial metrics used in the new PSP are measurable.

The following chart reflects the proportion of contribution from the three focus areas of the Givaudan purpose.



Creations performance criteria (80%)

Givaudan's 2025 Strategy has ambitious targets. Givaudan's purpose also contains an ambition to double the Company revenue by 2030.

Therefore, to support our financial ambitions, the following PSP measures apply:

– Relative average sales growth as compared to the sales growth of two equally weighted selected peer groups; and

– Cumulative free cash flow (FCF) margin, expressed as a percentage of cumulative sales.

The structure of performance criteria calculation has been specifically designed to be challenging.

As explained in section 3.6, these performance criteria from 1 January 2021 were complemented by ESG non-financial criteria linked to the Givaudan purpose in the areas of net GHG emissions reduction, diversity and employee safety.

For average sales growth, this is compared with two peer groups:

– Peer Group 1 comprises companies from direct competitors in the flavour and fragrance industry and other consumer ingredient producers that publish sales in local currency. The peer companies currently included in the group are: DSM-Firmenich, Kerry Taste & Nutrition, Hasegawa, IFF, Robertet, Sensient, Symrise and Takasago.

– Peer Group 2 comprises publically listed companies which reflect our customer segments and whose respective sales are representative of the mix of Givaudan business: Coca-Cola, PepsiCo, Danone, Nestlé, Mondelez, Kraft Heinz, General Mills, Henkel, Unilever, Reckitt, L'Oreal, P&G, Colgate, Estée Lauder and Coty.

The performance range for relative sales growth extends from –2% to 3% annualised sales growth versus both peer groups. Givaudan's performance versus both groups is weighted equally and measured over the four-year performance period.

In the case of FCF margin, final achievement is calculated as the average of the reported FCF margin for each of the four performance years. This means that Givaudan's FCF for each year of the performance period is summed, and this cumulative result is divided by the sum of Givaudan's sales in each year of the performance period. The assessment over four years ensures that the performance targets are stringent and reward sustained Company performance. For grants in 2023, the performance range extends from 9% to 15%. Target FCF margin remains at 12%. The range was rebalanced around the 12% target, so maximum achievement is at 15% (3% above target) and minimum is at 9% (3% below target).

Target setting and testing against targets follows adherence to strict governance policies. Careful consideration is given to Givaudan's performance and its projections. In addition, a reference test against historical achievements is conducted as depicted in table VII.

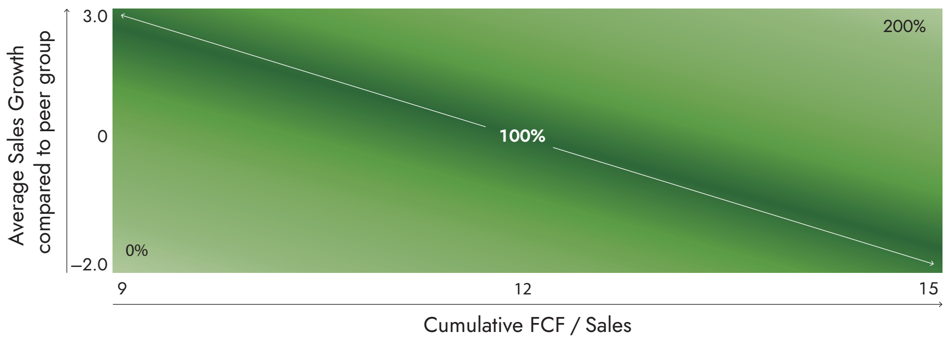
Targets set for the 2023 PSP remain aligned with our 2023 guidance, and within the overall objectives. In addition to the factors already mentioned, the assessment and target setting take into consideration the impact of significant investments (in particular, recent acquisitions) and ensuring targets are appropriately challenging.

VII. HISTORICAL FCF MARGIN VS SET TARGET

	2020 PSP	2021 PSP	2022 PSP	2023 PSP
Reference test target setting[1]	12.5%	12.4%	12.7%	11.1%
Target[2]	12%	12%	12%	12%

1. Cumulative FCF margin of the related previous performance period.
2. Four-year target for corresponding PSP.

VIII. PERFORMANCE SHARE PLAN CREATIONS PAYOUT MATRIX



Darker region indicative of target achievement zone for 100% payout.

Nature ESG performance targets (10%)

One of the Company's purpose ambitions is to be climate positive before 2050 regarding GHG emissions, and Givaudan has created a path to achieve this ambition. For PSP grants, to focus participants equally on the emissions Givaudan directly and indirectly impacts, the target are apportioned between scopes 1+2+3: 50% of the GHG emission reduction targets relate to scopes 1+2 and 50% to scope 3.

The grants have a three-year target reduction aligned with our purpose targets of –44% in absolute for scope 1+2 and +1% for scope 3 versus the 2015 baseline, shown in table IX, with minimum, on target and maximum achievements and the comparison to our 2022 performance in absolute tons.

People ESG performance targets (10%)

The Company also has purpose ambitions that it will reduce total recordable injury rate of employees by 50% by 2025, and increase senior leadership diversity to 50% by 2030. Givaudan has created a path to achieve these ambitions and for 2023 PSP grants it has a three-year target to reduce the total recordable injury rate (TRCR) to 0.72 incidents per 100,000 Full Time Equivalent employees at the end of 2025, and to increase female senior leader representation to 36% by the end of 2025[1]. For grants in 2023, the High Growth Diversity target was removed to focus on the gender target, more aligned with the UN Sustainable Development Goals. See table IX with minimum, on target and maximum achievements.

Share payout caps

Based on the extent that performance criteria are met, the actual number of shares vesting at the end of the performance period may vary between 0% and 200% of the Performance Shares initially granted. The level of vesting is dependent on the combination of performance achievement against both criteria: relative sales growth and free cash flow.

A payout of 200% would require an achievement level above the maximum threshold for both criteria. An achievement level below the minimum threshold on either measure results in a 0% payout.

Different combinations of relative sales growth and FCF achievements within the above ranges lead to payouts between 0% and 200%, ranked according to their long-term economic value generation for the Company. Accordingly, the weighting of impact for each performance criteria

1. Senior leadership roles represent approximately the top 1% of the global workforce based on Givaudan's job classification system.

differs depending on the positioning within the matrix shown in table VIII.

For awards granted in 2023 the payouts will be calculated using the payout matrix as per table VIII as previously for 80% of the award value at grant, and the other 20% will be calculated against ESG People and Nature targets described on page 41. For each performance target as well as for the overall PSP achievement rate, a payout cap of 200% applies.

Participants do not receive any dividends or have any voting rights in respect of Performance Shares during the vesting period.

In general, Performance Shares lapse on cessation of employment. In specific circumstances such as death, disability or retirement, Performance Shares may vest subject to satisfaction of the performance criteria. In case of a change of control, Performance Shares may vest immediately.

Vesting in 2023

The 2020 PSP vested on 15 April 2023 with a 73% payout. This reflects below target achievement on FCF and below target achievement on relative sales growth, as displayed in table X. Historical long-term incentive achievement is shown in table XI.

3.7 Benefits

Executive Committee members participate in the benefit plans of the Company, consisting mainly of retirement, insurance and health care plans that are designed to provide a reasonable level of protection for the employees and their dependents in respect of the risks of retirement, ill-health, disability and death.

Executive Committee members are also provided with certain executive perquisites and benefits in kind according to competitive market practice. The aggregate monetary value of these benefits is evaluated at fair value and disclosed in the compensation tables.

IX. PERFORMANCE SHARE PLAN PEOPLE AND NATURE PAYOUT MATRIX GRANTS IN 2023

Payout	0%	100%	200%
Nature performance targets [2]			
Net GHG reduction scope 1+2 vs 2015 (% reduction)	–39%	–44%	–49%
Net GHG reduction scope 1+2 vs 2022 (CO_2e tonnes)	–16,780	–29,328 [2]	–41,876
Net GHG reduction scope 3 vs 2015 (% reduction)	6%	1%	–4%
Net GHG reduction scope 3 vs 2022 (CO_2e tonnes)	147,909	35,593 [2]	–76,724
People performance targets			
% females in senior leadership [1]	30%	36%	42%
Safety TRCR 2025	1.00	0.72	0.51

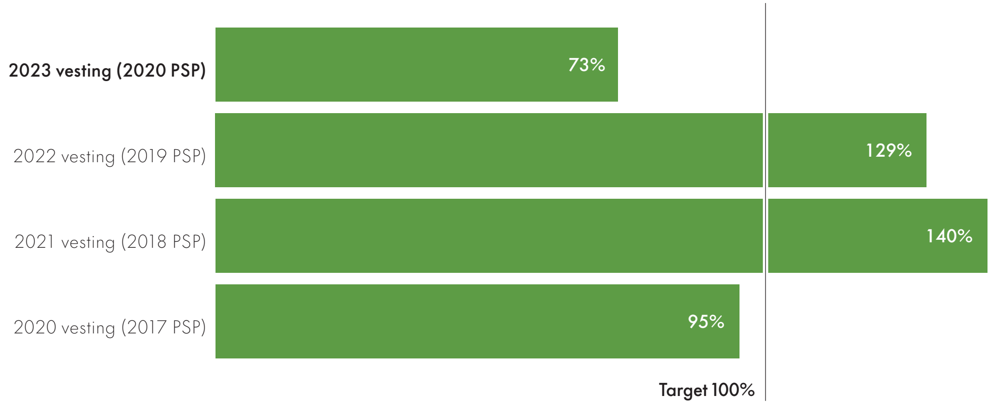
1. Senior leadership roles represent approximately the top 1% of the global workforce based on Givaudan's job classification system.
2. Combined, they represent an annual increase of only less than 1% GHG emissions versus projected average organic sales growth of 4–5% per year.

X. 2020 PSP ACHIEVEMENT VESTED IN 2023

Criteria	Performance	Payout
Average like-for-like sales growth compared to peer group	–0.1%	73% of performance shares granted
Cumulative FCF / sales [1]	11.1%	

1. Formula = Σ (FCF margin reporting year x sales in reporting currency in year / Σ Sales in reporting currency in year).

XI. HISTORICAL LONG-TERM INCENTIVE ACHIEVEMENT



Compensation of the Executive Committee

4.1 Benchmarking of Executive Committee positions

All benchmarking activity related to Executive Committee positions is performed by independent consultants. Givaudan's executive compensation targets base pay at the market median. Executive Committee members have the opportunity to be rewarded with above-median pay for sustained outstanding performance from a number of variable compensation components. These variable elements reflect achievements against quantitative targets established by the Board. Variable compensation, particularly long-term components, represents a significant portion of an executive's total compensation. In general, the weight of variable compensation increases with an executive's level of responsibility and the impact of their position on Company results.

In 2022, Executive Committee compensation was reviewed against a peer group of other Swiss multinational companies. This peer group consisted of Swiss Leader Index (SLI) companies of comparable market cap (approximately 0.5x to 2x), excluding financial services institutions. The benchmark included 12 companies: ABB, Alcon, Geberit, Kuehne + Nagel, Holcim, Lonza, Richemont, Schindler, SGS, Sika, Logitech and Swisscom. Consistent with prior external benchmarks, the review confirmed the positioning against the market remains appropriate. The findings have been cross-validated against a listed European company comparator group with the finding that Givaudan compensation positioning appears similar versus the European peer group than the SLI companies. The European benchmark included 10 companies: Akzo Nobel, Beiersdorf, Carlsberg, Coca-Cola European Partners, DSM-Firmenich, Kerry Group, Pernod Ricard, Smith & Nephew, Solvay and Symrise. The European peer group consists of companies of a similar size (approximately 0.5x to 2x market cap and turnover of Givaudan). In addition, the peer group chosen is a competitor group of Givaudan considering talent acquisition and retention.

The results confirmed that total compensation of the Executive Committee was overall aligned with the market. The long-term incentive compensation is positioned above median, which is in line with Givaudan policy and reflects our continued strong focus on rewarding outstanding performance over the long term. Another benchmarking exercise will be carried out in 2024 to ensure Executive Compensation remains competitive.

In 2023, independent consulting services were contracted with PwC regarding other Executive Committee compensation topics. Additional executive compensation data was provided by Mercer who also provide general compensation and international mobility market data to the Company.

XII. EXECUTIVE COMPENSATION BENCHMARK

	Below median	Median	Above median
Base pay		•	
Short-term incentive [1]	•		
Long-term incentive [2]			•
Total compensation		•	

1. Annual Incentive Plan (please refer to section 3.5).
2. Performance Share Plan (please refer to section 3.6).

4.2 Compensation levels in 2023

Total Executive Committee compensation reported in 2023 remained stable representing full year compensation for seven members (including the Chief Executive Officer (CEO)).

Total Executive Committee compensation for the reporting period increased by 6.3%, reflecting higher annual incentive achievement. Total fixed compensation and long-term incentive grant values remain stable. The Executive Committee did not receive an increase in base salary in 2023.

Further details are available in section 3.5.

Executive Committee member compensation has been set in accordance with our compensation principles, including consideration of roles and responsibilities and with reference to our compensation benchmarks.

4.2.1 Highest total compensation
The CEO, Gilles Andrier, received the highest total compensation in 2023. For compensation details, please refer to table XIII.

4.2.2 Other compensation, fees and loans to members or former members of the Executive Committee
No other compensation or fees were accrued for or paid to any member or former member of the Executive Committee during the reporting period. No member or former member of the Executive Committee or related parties had any loan outstanding as of 31 December 2023.

4.2.3 Special compensation of Executive Committee members who left the Company during the reporting period
No such compensation was incurred during the reporting period.

4.2.4 Employment contract termination clauses of Executive Committee members
Employment contracts of Executive Committee members comply with the OaEC and our Articles of Incorporation. Accordingly, contractual entitlements are within the specified thresholds, in particular the maximum contractual notice period is six months and any non-compete clause does not exceed 12 months. No additional compensation or benefits are provided in the case of change in control, except for long-term incentive awards that may vest immediately.

All contractual arrangements of Executive Committee members, excluding CEO, are approved by the Compensation Committee of the Board, and all contractual arrangements of the CEO are reviewed by the Compensation Committee and approved by the Board.

4.2.5 Compensation voting for Executive Committee members
The compensation paid is within the amounts approved by shareholders in the respective Annual General Meeting.

The fixed and long term variable compensation approved for 2023 was CHF 15,400,000 (2022: CHF 15,400,000).

The annual incentive, short term variable compensation amount for 2023 was CHF 4,361,584 and will be submitted for approval at the 2024 Annual General Meeting (2022: CHF 3,336,733).

XIII. EXECUTIVE COMMITTEE (EC) COMPENSATION SUMMARY

in Swiss francs		Base Salary	Pension benefits [2]	Other benefits [3]	Total fixed compensation	Annual Incentive [4]	Number of performance shares granted [5]	Value at grant [6]	Total variable compensation	Total compensation	Employer social security [7]
Gilles Andrier, CEO	**2023**	1,238,211	579,028	144,549	1,961,788	1,490,425	903	2,499,775	3,990,200	5,951,988	464,405
	2022	1,228,041	573,379	134,689	1,936,109	1,114,879	691	2,499,762	3,614,641	5,550,750	459,497
EC Members, excluding CEO [1]	**2023**	3,338,171	1,175,656	370,598	4,884,425	2,871,159	2,132	5,902,016	8,773,175	13,657,600	1,060,556
	2022	3,283,409	1,096,069	400,918	4,780,396	2,221,854	1,631	5,900,306	8,122,160	12,902,556	993,217
Total: EC Members, including CEO	**2023**	4,576,382	1,754,684	515,147	6,846,213	4,361,584	3,035	8,401,791	12,763,375	19,609,588	1,524,961
	2022	4,511,450	1,669,448	535,607	6,716,505	3,336,733	2,322	8,400,068	11,736,801	18,453,306	1,452,714

1. Represents full year compensation of six Executive Committee members.
2. Company contributions to broad-based pension and retirement savings plans and annualised expenses accrued for supplementary executive retirement benefit.
3. Represents annual value of health and welfare plans, international assignment benefits and other benefits in kind.
4. Annual incentive accrued in reporting period based on performance in the reporting period.
5. 2023 Performance shares vest on 15 April 2026, 2022 Performance Shares vest on 15 April 2025.
6. Value at grant calculated according to IFRS methodology and based on 100% achievement of performance targets.
7. 2023 estimated social security charges based on 2023 compensation; 2022 estimated social security charges based on 2022 compensation.

Compensation of the Board of Directors

Compensation of Board members consists of Director fees, Committee fees and Restricted Share Units (RSUs). Fees are paid at the end of each year in office completed. RSUs give participants the right to receive Givaudan shares (or a cash equivalent in countries where securities laws prevent the offering of Givaudan securities) at the end of a three-year blocking period. During this period, Board members must hold RSUs (accordingly are restricted from trading RSUs or the underlying Givaudan shares), thereby aligning with shareholder interests over the longer term. Board members are entitled to receive Givaudan shares regardless of membership status so that, for example, if re-election does not occur during the restriction period, awarded RSUs are retained by the respective Board member. Such practice has been implemented in line with best practice in support of Givaudan's commitment to ensuring Board independence.

The annual fees for Board membership and additional functions are summarised in the table XIV. The fee structure remained unchanged versus prior year levels.

The Chairman of the Board does not receive any additional board membership fees. Similarly, a Committee Chairman does not receive any additional Committee Membership fees.

Each Board member receives an additional amount of CHF 10,000 to cover out-of-pocket expenses. This amount is paid for the coming year in office. The RSUs are also granted for the same period.

Board fees are aligned with the total Board compensation approved by shareholders at the 2023 Annual General Meeting and with market practice. Board member compensation was benchmarked in 2022 against a peer group of other Swiss multinational companies. This peer group consisted of Swiss Leader Index (SLI) companies with comparable market cap (approximately 0.5x to 2x), excluding financial services institutions. The benchmark included 12 companies: ABB, Alcon, Geberit, Kuehne + Nagel, LafargeHolcim, Lonza, Richemont, Schindler, SGS, Sika, Swatch and Swisscom. Consistent with prior external benchmarks, the review confirmed the continued use of RSUs and positioning against the market remains appropriate. A similar benchmarking exercise will be carried out in 2024.

The compensation paid to the Board members for the reporting period is shown in table XV.

5.1 Compensation of the Board member with the highest compensation

The Board member with the highest compensation in 2023 was Calvin Grieder, Chairman of the Board since 23 March 2017. For compensation details please refer to table XV.

5.2 Other compensation, fees and loans to members or former members of the Board

No compensation or fees were paid to any member of the Board in addition to those disclosed in table XV. No Board member or related parties had any loan outstanding as of 31 December 2023.

5.3 Special compensation of members of the Board who left the Company during the reporting period

No such compensation was incurred during the reporting period.

XIV. BOARD OF DIRECTORS FEES – SUMMARY

	Annual fees (CHF)	Restricted Shares Compensation (CHF)[3]
Chairman of the Board[1]	400,000	580,000
Vice-Chairman of the Board[1]	100,000	145,000
Board membership	100,000	145,000
Additional committee fees		
Chairman – Audit Committee[2]	55,000	
Chairman – Other Committees[2]	40,000	
Membership – All Committees	25,000	

1. Incl. Board membership fees.
2. Incl. Committee membership fees.
3. Number of RSUs granted represents the closest match to the values displayed.

5.4 Compensation voting for members of the Board

The compensation paid to the Board members for the period between the 2022 and 2023 Annual General Meetings, CHF 2,845,053, is again within the amount approved by shareholders at the 2022 Annual General Meeting CHF 3,500,000.

Amounts approved at the 2023 Annual General Meeting, CHF 3,000,000, will be paid by the end of the year in office and validated in the 2024 Compensation report. Such approved and paid amounts may differ from those shown in the Board compensation summary table which, according to the OaEC, must include compensation paid in the reporting year.

XV. BOARD OF DIRECTORS COMPENSATION SUMMARY

in Swiss francs		Director fees [3]	Committee fees [3]	Total fixed (cash)	Number of RSUs granted [4]	Value at grant [5]	Total compensation
Calvin Grieder Chairman [1]	**2023**	400,000	65,000	465,000	210	581,343	1,046,343
	2022	400,000	65,000	465,000	160	578,816	1,043,816
Victor Balli [1]	**2023**	100,000	80,000	180,000	52	143,952	323,952
	2022	100,000	80,000	180,000	40	144,704	324,704
Prof. Dr-Ing. Werner Bauer [7]	**2023**	25,000	16,250	41,250	10	36,176	77,426
	2022	100,000	65,000	165,000	40	144,704	309,704
Lilian Biner [7]	**2023**	25,000	6,250	31,250	10	36,176	67,426
	2022	100,000	25,000	125,000	40	144,704	269,704
Michael Carlos [7]	**2023**	25,000	16,250	41,250	10	36,176	77,426
	2022	100,000	65,000	165,000	40	144,704	309,704
Ingrid Deltenre [1]	**2023**	100,000	61,250	161,250	52	143,952	305,202
	2022	100,000	50,000	150,000	40	144,704	294,704
Olivier Filliol [1]	**2023**	100,000	50,000	150,000	52	143,952	293,952
	2022	100,000	50,000	150,000	40	144,704	294,704
Sophie Gasperment [1]	**2023**	100,000	50,000	150,000	52	143,952	293,952
	2022	100,000	43,750	143,750	40	144,704	288,454
Tom Knutzen [1]	**2023**	100,000	55,000	155,000	52	143,952	298,952
	2022	75,000	18,750	93,750	40	108,528	202,278
Roberto Guidetti [1,6]	**2023**	75,000	18,750	93,750	39	107,964	201,714
	2022						
Total compensation [2]	**2023**						2,986,345
	2022						3,337,772

1. The function of each member of the Board of Directors is indicated on pages 13–15 in the 2022 Governance report and on pages 12–13 in the 2023 Governance Report.
2. Represents total compensation of the Board of Directors paid in respect of the reporting year, reported in accordance with the accrual principle.
3. Represents Director and Committee fees paid in respect of the reporting year, reported in accordance with the accrual principle.
4. 2023 RSUs blocking period end on 15 April 2026; 2022 RSUs end on 15 April 2025.
5. Economic value at grant according to IFRS methodology with no discount applied for the blocking period.
6. 2023 figures represent compensation from April to December.
7. Werner Bauer, Michael Carlos and Lilian Biner retired at the AGM in March 2023.

Estimated social security charges based on 2023 compensation amounted to CHF 212,414 (2022: CHF 258,719).

Share ownership

Share ownership guidelines

Under the share ownership guidelines (Guidelines), Executive Committee members must hold approximately two times annual base salary in Givaudan shares. In general, the Guidelines should be met within five years from the beginning of the calendar year after joining the Executive Committee.

Ownership of Givaudan shares by Executive Committee members as per 31 December 2023 is shown in table XVI.

Ownership of Givaudan securities

7.1 Executive Committee

The Chief Executive Officer (CEO) and other members of the Executive Committee, including persons closely connected to them, held 10,843 Givaudan shares. For further details, please refer to table XVI showing:

- The shares held individually by each member of the Executive Committee as per 31 December 2023
- The unvested Performance Shares that were granted in 2021–2023 and were still owned by members of the Executive Committee as per 31 December 2023.

No member of the Executive Committee held any share options or option rights as at 31 December 2023 (31 December 2022: no member of the Executive Committee held any share options or option rights).

One person closely connected to a member of the Executive Committee owned 160 unvested Performance Shares as at 31 December 2023.

The Company is not aware of any other ownership of shares, share options/option rights, RSUs or Performance Shares as per 31 December 2023 by persons closely connected to members of the Executive Committee.

7.2 Board of Directors

As per 31 December 2023, the Chairman and other Board members, including persons closely connected to them held 3,632 Givaudan shares in total. For further details, please refer to table XVII showing:

- The shares held individually by each Board member as per 31 December 2023
- The RSUs that were granted in 2021–2023 and were still owned by members of the Board as per 31 December 2023.

The Company is not aware of any other ownership of shares, share options/option rights, RSUs or Performance Shares as per 31 December 2023 by persons closely connected to members of the Board.

XVI. EXECUTIVE COMMITTEE: OWNERSHIP OF GIVAUDAN SECURITIES

2023 in numbers	Shares	Unvested Performance Shares
Gilles Andrier, CEO	5,480	2,322
Tom Hallam	594	1,039
Louie D'Amico	981	1,162
Maurizio Volpi	1,771	1,162
Simon Halle-Smith	335	696
Willem Mutsaerts	777	696
Anne Tayac	905	696
Total 2023	10,843	7,773
Total 2022	9,478	7,710

XVII. BOARD OF DIRECTORS: OWNERSHIP OF GIVAUDAN SECURITIES

2023 in numbers	Shares	Blocked RSUs
Calvin Grieder, Chairman	1,407	539
Victor Balli	363	134
Ingrid Deltenre	480	134
Olivier Filliol	1,252	134
Sophie Gasperment	30	134
Tom Knutzen	100	92
Roberto Guidetti		52
Total 2023	3,632	1,219
Total 2022	6,850	1,493

External mandates

Article 32 of the Articles of Incorporation of the Company permits the following external mandates for members of the Board of Directors:

– Members of the Board of Directors may not hold more than four additional mandates in companies that are quoted on an official stock exchange and seven additional mandates in non-quoted companies.

– Members of the Executive Committee may, subject to approval by the Board of Directors, hold up to two mandates in quoted or non-quoted companies.

– The following mandates are not subject to these limitations:

  - mandates in companies which are controlled by the corporation

  - mandates held by order and on behalf of the corporation or any controlled company. No member of the Board of Directors or of the Executive Committee shall hold more than ten such mandates

  - mandates in associations, foundations, charitable organisations, trusts, employee welfare foundations and other comparable structures. No member of the Board of Directors or of the Executive Committee shall hold more than 15 such mandates.

'Mandates' mean mandates in the supreme governing body of a legal entity which is required to be registered in the Swiss commercial register or a corresponding foreign register. Mandates in different legal entities which are under joint control are deemed one mandate.

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www.givaudan.com › Our company › Responsible business › Position statements, policies, rules, reports › Articles of incorporation

Board of Directors as of 31 december 2023

Calvin Grieder
Chairman, Non-executive
Calvin Grieder holds the following mandate in a company quoted on an official stock exchange: Chairman of the Board of SGS SA.

He holds the following mandates in companies that are non-quoted: Chairman of the Board of Bühler Group, Chairman of the Board of Eraneos group, member of the Board of Trustees of Avenir Suisse, owner and member of the Board of Carivel7 AG.

Ingrid Deltenre
Director, Non-executive
She holds the following mandates in companies that are quoted on an official stock exchange: member of the Board of Banque Cantonale Vaudoise and member of the Supervisory Board of Deutsche Post/DHL.

She is also a member of the Board of SPS AG (since April 2022), member of the Executive Board of the Executive Education of the University of Zurich and member of the Foundation Board Schweizer Berghilfe.

Victor Balli
Director, Non-executive
Victor Balli holds the following mandates in companies that are quoted on an official stock exchange: member of the Boards of KWS Saat SE & Co. KGaA, of SIKA AG and of Medacta International SA.

He holds the following mandates in companies that are non-quoted: Member of the Boards of the Federal Audit Oversight Authority, Hemro AG and the Supervisory Board of Louis Dreyfus Company International Holding B.V.

Olivier Filliol
Director, Non-executive
He holds the following mandates in companies that are quoted on an official stock exchange: member of the Board of Straumann Group and of Mettler Toledo International Inc. (until May 2023).

Sophie Gasperment
Director, Non-executive
Sophie Gasperment holds the following mandates in listed companies: Member of the Board of Kingfisher plc., Member of the Supervisory Board of D'Ieteren Group (until May 2023), Independent Director of Cimpress.

She holds the following mandate in companies that are non-quoted: Independent director at SPDG (since October 2023).

Tom Knutzen

Director, Non-executive

Tom Knutzen holds the following mandates in companies that are quoted on an official stock exchange: Chairman of the Board of Tivoli A/S and of FLSmidth & Co. A/S; Vice chairman of the Board of Jeudan A/S.

He holds the following mandates in other companies: member of the Board of Jungbunzlauer Holding AG.

Roberto Guidetti

Director, Non-executive

Roberto Guidetti holds the following mandates in companies quoted on an official stock exchange: in addition to his position at Vitasoy International Holdings Ltd., he is a member of the Board of Ariston Group.

READ MORE

For more details on the Board of Directors' curriculum vitae, please refer to the 2023 Governance, Compensation and Financial Report › Governance report › **pp12–13**

Executive Committee members as of 31 December 2023

Gilles Andrier

Chief Executive Officer

Other mandates held by Gilles Andrier are: independent non-executive Director of both Albea SA and Maus Frères SA.

Tom Hallam

Chief Financial Officer

Other mandates held by Tom Hallam: Non-executive and Independent Director and Chair of the Audit and Risk Committee of Azelis.

Maurizio Volpi

President Fragrance & Beauty

Other mandates held are: member of the Boards of Directors of International Fragrance Association and the Research Institute for Fragrance Materials.

Simon Halle-Smith

Head of Global Human Resources and EHS

Other mandates held are: director of Geranium Management Ltd., United Kingdom.

Louie D'Amico, Anne Tayac and Willem Mutsaerts hold no external mandates.

READ MORE

For more details on the Executive Committee's curriculum vitae, and all of the members, please refer to the 2023 Governance, Compensation and Financial Report › Governance report › **pp22–23**

Statutory Auditor's Report

KPMG SA
Esplanade de Pont-Rouge 6
1201 Geneva
Switzerland

To the General Meeting of Givaudan SA, Vernier

Report on the Audit of the Compensation Report

Opinion

We have audited the Compensation Report of Givaudan SA (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in in relation to sections 4 and 5 of the Compensation Report.

In our opinion, the information pursuant to Art. 734a-734f CO in the accompanying Compensation Report complies with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Compensation Report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The Compensation Report of Givaudan SA for the year ended 31 December 2022 was audited by another auditor who expressed an unmodified opinion on this report on 23 January 2023.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the sections mentioned above in the Compensation Report, the consolidated financial statements, the standalone financial statements and our auditor's reports thereon.

Our opinion on the Compensation Report does not cover the other information and we do not express any form of assurance conclusion thereon.

KPMG

In connection with our audit of the Compensation Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the Compensation Report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Compensation Report
The Board of Directors is responsible for the preparation of a Compensation Report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a Compensation Report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's Responsibilities for the Audit of the Compensation Report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Compensation Report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the Compensation Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

KPMG

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

KPMG SA

Hélène Béguin
Licensed Audit Expert
Auditor in Charge

Ekaterina Abramova

Geneva, 24 January 2024

Financial Report

Consolidated Financial Report & Statutory Financial Report

Consolidated Financial Report

Consolidated financial statements

Notes to the consolidated financial statements

Report of the Statutory Auditor

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December

in millions of Swiss francs, except for earnings per share data	Note	2023	2022
Sales	7	6,915	7,117
Cost of sales		(4,069)	(4,355)
Gross profit		**2,846**	**2,762**
as % of sales		41.2%	38.8%
Selling, marketing and distribution expenses		(897)	(907)
Research and product development expenses		(519)	(522)
Administration expenses		(202)	(200)
Share of results of joint ventures and associates	10	5	11
Other operating income	11	30	47
Other operating expense	12	(147)	(79)
Operating income		**1,116**	**1,112**
as % of sales		16.1%	15.6%
Financing costs	14	(120)	(100)
Other financial income (expense), net	15	(7)	(84)
Income before taxes		**989**	**928**
Income taxes	16	(96)	(72)
Income for the period		**893**	**856**
Attribution			
Income attributable to non-controlling interests		–	–
Income attributable to equity holders of the parent		893	856
as % of sales		12.9%	12.0%
Earnings per share – basic (CHF)	17	**96.81**	**92.83**
Earnings per share – diluted (CHF)	17	**96.47**	**92.51**

The notes on pages 59 to 110 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December

in millions of Swiss francs	Note	2023	2022
Income for the period		**893**	**856**
Items that may be reclassified to the income statement			
Cash flow hedges			
Movement in fair value, net		(53)	187
(Gains) losses removed from equity and recognised in the consolidated income statement		7	8
Movement on income tax	16	(1)	(14)
Exchange differences arising on translation of foreign operations			
Movement in fair value arising on hedging instruments of the net assets in foreign operations		121	57
Currency translation differences		(613)	(298)
Movement on income tax	16	(17)	1
Items that will not be reclassified to the income statement			
Defined benefit pension plans			
Remeasurement gains (losses) of post-employment benefit obligations	8	15	153
Movement on income tax	16	(3)	(23)
Other comprehensive income for the period		**(544)**	**71**
Total comprehensive income for the period		**349**	**927**
Attribution			
Total comprehensive income attributable to non-controlling interests		–	–
Total comprehensive income attributable to equity holders of the parent		349	927

The notes on pages 59 to 110 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

in millions of Swiss francs	Note	31 December 2023	31 December 2022
Assets			
Cash and cash equivalents	5, 18	600	475
Derivative financial instruments	5	25	21
Financial assets at fair value through income statement	5	8	13
Accounts receivable - trade	5, 19	1,452	1,512
Inventories	20	1,275	1,423
Current tax assets	16	60	71
Prepayments		66	64
Other current assets	5	129	128
Current assets		3,615	3,707
Derivative financial instruments	5	99	144
Property, plant and equipment	21	2,242	2,293
Intangible assets	22	4,459	4,646
Deferred tax assets	16	118	112
Post-employment benefit plan assets	8	37	22
Financial assets at fair value through income statement	5	271	286
Interests in joint ventures and investments in associates	10	48	53
Other non-current assets		239	246
Non-current assets		7,513	7,802
Total assets		11,128	11,509

in millions of Swiss francs	Note	31 December 2023	31 December 2022
Liabilities and equity			
Short-term debt	5, 23	442	356
Derivative financial instruments	5	70	70
Accounts payable - trade and others	5	891	861
Accrued payroll and payroll taxes		170	164
Current tax liabilities	16	136	123
Financial liability - own equity instruments	26	64	76
Provisions	25	22	9
Other current liabilities		266	266
Current liabilities		2,061	1,925
Derivative financial instruments	5	11	18
Long-term debt	5, 23	4,463	4,649
Financial liability - own equity instruments	26	28	46
Provisions	25	63	75
Post-employment benefit plan liabilities	8	165	177
Deferred tax liabilities	16	232	270
Other non-current liabilities		107	112
Non-current liabilities		5,069	5,347
Total liabilities		7,130	7,272
Share capital	27	92	92
Retained earnings and reserves	27	6,730	6,442
Own equity instruments	26, 27	(199)	(228)
Other components of equity		(2,630)	(2,074)
Equity attributable to equity holders of the parent		3,993	4,232
Non-controlling interests		5	5
Total equity		3,998	4,237
Total liabilities and equity		11,128	11,509

The notes on pages 59 to 110 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December

2023 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Note	27	27	26, 27					
Balance as at 1 January	92	6,442	(228)	92	(2,166)	4,232	5	4,237
Income for the period		893				893	–	893
Other comprehensive income for the period		12		(47)	(509)	(544)		(544)
Total comprehensive income for the period		905		(47)	(509)	349	–	349
Dividends paid		(617)				(617)		(617)
Movement in own equity instruments, net			29			29		29
Non-controlling interests							–	–
Net change in other equity items		(617)	29			(588)	–	(588)
Balance as at 31 December	92	6,730	(199)	45	(2,675)	3,993	5	3,998

2022 in millions of Swiss francs	Share Capital	Retained earnings and reserves	Own equity instruments	Cash flow hedges	Currency translation differences	Equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Note	27	27	26, 27					
Balance as at 1 January	92	6,063	(211)	(89)	(1,926)	3,929	12	3,941
Income for the period		856				856	–	856
Other comprehensive income for the period		130		181	(240)	71		71
Total comprehensive income for the period		986		181	(240)	927	–	927
Dividends paid		(607)				(607)		(607)
Movement in own equity instruments, net			(17)			(17)		(17)
Non-controlling interests							(7)	(7)
Net change in other equity items		(607)	(17)			(624)	(7)	(631)
Balance as at 31 December	92	6,442	(228)	92	(2,166)	4,232	5	4,237

The notes on pages 59 to 110 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December

in millions of Swiss francs	Note	2023	2022
Income for the period		893	856
Income tax expense	16	96	72
Interest expense	14	112	93
Non-operating income and expense	14, 15	15	91
Operating income		1,116	1,112
Depreciation of property, plant and equipment	21	202	209
Amortisation of intangible assets	22	154	155
Impairment of long-lived assets	21, 22	1	–
Other non-cash items			
share-based payments		29	4
pension expense	8	31	45
additional and unused provisions, net	25	37	8
other non-cash items		(53)	(75)
Adjustments for non-cash items		401	346
(Increase) decrease in inventories		43	(82)
(Increase) decrease in accounts receivable		(112)	(112)
(Increase) decrease in other current assets		(20)	74
Increase (decrease) in accounts payable		105	(95)
Increase (decrease) in other current liabilities		32	(52)
(Increase) decrease in working capital		48	(267)
Income taxes paid		(121)	(182)
Pension contributions paid	8	(46)	(44)
Provisions used	25	(25)	(17)
Cash flows from (for) operating activities		**1,373**	**948**
Increase in long-term debt	24	738	708
(Decrease) in long-term debt	24	(383)	(2)
Increase in short-term debt	24	2,858	2,817
(Decrease) in short-term debt	24	(3,111)	(3,035)
Cash flows from debt, net		102	488

in millions of Swiss francs	Note	2023	2022
Interest paid	24	(97)	(72)
Purchase and sale of derivative financial instruments, net	24	6	5
Lease payments	24	(56)	(57)
Transactions of non-controlling interests			(7)
Other, net	24	(8)	(7)
Cash flows from financial liabilities		(53)	350
Distribution to the shareholders paid	27	(617)	(607)
Purchase and sale of own equity instruments, net		(29)	(51)
Cash flows from (for) financing activities		**(699)**	**(308)**
Acquisition and disposal related cash flows			
Purchase of property, plant and equipment	21	(215)	(226)
Purchase of intangible assets	22	(60)	(78)
Acquisition of assets in the form of an asset deal	6	(183)	
Proceeds from the disposal of property, plant and equipment	21	4	15
Proceeds from sales of intangible assets	22	–	–
(Increase) decrease in share capital of jointly controlled entities	10	2	(1)
Interest received		6	11
Dividend received from joint ventures, associates and other investments		3	5
Purchase and sale of financial assets at fair value through income statement, net		(15)	(5)
Impact of financial transactions on investing, net		15	(92)
Other, net		(24)	(57)
Cash flows from (for) investing activities		**(467)**	**(428)**
Net increase (decrease) in cash and cash equivalents		207	212
Net effect of currency translation on cash and cash equivalents		(82)	(11)
Cash and cash equivalents at the beginning of the period	18	475	274
Cash and cash equivalents at the end of the period	18	600	475

The notes on pages 59 to 110 form an integral part of these financial statements.

Notes to the consolidated financial statements

1. Group Organisation

Givaudan SA and its subsidiaries (hereafter 'the Group') operate under the name Givaudan. Givaudan SA is a limited liability company incorporated and domiciled in Switzerland. The Group is headquartered in Vernier, near Geneva, Switzerland. Givaudan is a leading supplier of creative fragrance, beauty, taste and wellbeing products to the consumer goods industry. It operates in over 100 countries and has subsidiaries and branches in more than 40 countries. Worldwide, it employs 16,263 people. A list of the principal Group companies is shown in Note 32 to the consolidated financial statements.

The Group is listed on the SIX Swiss Exchange (GIVN).

2. Summary of Significant Accounting Policies

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

2.1 Basis of Preparation

The consolidated financial statements have been prepared in accordance with IFRS accounting standards as issued by the IASB and Swiss law.

They are prepared under the historical cost convention as modified by the revaluation of financial assets and financial liabilities at fair value through the income statement, and of own equity instruments classified as derivatives. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Critical accounting estimates and judgments are disclosed in Note 3.

Givaudan SA's Board of Directors approved these consolidated financial statements on 23 January 2024.

2.1.1 Changes in Accounting Policies and Disclosures Standards, amendments and interpretations effective in 2023

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2022. Several standards and amendments apply for the first time in 2023 including Amendments to IAS 1: Disclosure of Accounting Policies, IFRS 17 (and amendments to IFRS 17) Insurance Contracts, Amendments to IAS 8: Definition of Accounting Estimates and Amendments to IAS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction, Amendments to IAS 12: International Tax Reform – Pillar Two Model Rules. None of these had a material impact on the Group's Financial Statements.

2.1.2 IFRSs and IFRICs issued but not yet effective

New and revised standards and interpretations, issued but not yet effective, have been reviewed to identify the nature of the future changes in accounting policy and to estimate the effect of any necessary changes in the consolidated financial statements and supporting notes upon their adoption.

Issued and effective for 2024 and after

Several standards and amendments are issues and will apply for the first time in 2024 or after, including Amendments to IAS 1: Classification of Liabilities as Current or Non-current, Amendments to IAS 1: Non-current Liabilities with Covenants, Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements, Amendments to IAS 21: Lack of Exchangeability and Amendments to IFRS 16: Lease Liability in a Sale and Leaseback. None of these will have a material impact on the Group's Financial Statements.

2.2 Consolidation

The subsidiaries that are consolidated are those companies controlled, directly or indirectly, by Givaudan SA. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group reassesses whether or not it controls an investee if there are indications of a change in facts and circumstances.

Companies acquired during the year are consolidated from the date on which operating control is transferred to the Group, and subsidiaries to be divested are included up to the date on which control passes to the acquirer.

The acquisition method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets transferred, shares issued and liabilities undertaken or assumed at the date of acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. Acquisition related costs are expensed as incurred. The excess of the cost of acquisition over the fair value of the Group's share of net assets of the subsidiary acquired is recognised as goodwill.

Where necessary, changes are made to the accounting policies of subsidiaries to bring and ensure consistency with the policies adopted by the Group. Assets and liabilities, equity, income, expenses and cash flows resulting from inter-company transactions are eliminated in full on consolidation.

2.3 Investments in Joint Ventures and Associates

A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists when the strategic, financial and operating decisions relating to the relevant activities of the joint venture require the unanimous consent of the parties sharing control.

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of joint ventures and associates are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, an investment in a joint venture or an associate is initially recognised at cost and adjusted thereafter to recognise the Group's share of the income statement and the other comprehensive income of the joint venture or associate. Adjustments are made where necessary to bring the accounting policies in line with those adopted by the Group. Unrealised gains and losses on transactions between the Group and a jointly controlled entity or an associate are eliminated to the extent of the Group's interest in the joint arrangement or associate.

2.4 Foreign Currency Valuation

2.4.1 Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the functional currency of that entity. The functional currency is normally the one in which the entity primarily generates and expends cash. The consolidated financial statements are presented in millions of Swiss francs (CHF), the Swiss franc being the Group's presentation currency.

2.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the dates of the transactions, or using a rate that approximates the exchange rates on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the reporting period-end rates of monetary assets and liabilities denominated in foreign currencies are recognised in other financial income (expense), net, except for:

– Exchange differences recognised in other comprehensive income as qualifying cash flow hedges on certain foreign currency risks and qualifying net investment hedges;

– Exchange differences on monetary items to a foreign operation for which settlement is neither planned nor likely to occur, therefore forming part of the net investment in the foreign operation, which are recognised initially in other comprehensive income and reclassified from equity to the income statement on disposal of the net investment or on partial disposal when there is a loss of control of subsidiary or a loss of joint control over a jointly controlled entity; and

- Exchange differences on foreign currency borrowings relating to assets under construction which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

2.4.3 Translation of the financial statements of foreign subsidiaries

For the purpose of presenting consolidated financial statements, the assets and liabilities of Group companies reporting in currencies other than Swiss francs (foreign operations) are translated into Swiss francs using exchange rates prevailing at the end of the reporting period. Cash flows, income and expenses items of Group companies are translated each month independently at the average exchange rates for the period when it is considered a reasonable approximation of the underlying transaction rate. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity.

2.4.4 Hyperinflationary economies

Restatement of financial statements is required for subsidiaries whose functional currencies have experienced a cumulative inflation rate of more than 100% over the past three years. The gain or loss on the net monetary position are recognised in the consolidated income statement and then translated into Swiss francs. Restatement to current units of currency is made using the change in a general price index.

2.5 Segment Reporting

The operating segments are identified on the basis of internal reports that are regularly reviewed by the Executive Committee, the members of the Executive Committee being the chief operating decision makers, in order to allocate resources to the segments and to assess their performance. The internal financial reporting is consistently prepared along the lines of the two operating divisions: Fragrance & Beauty and Taste & Wellbeing.

The business units of each division, respectively Fine Fragrances, Consumer Products, Fragrance Ingredients and Active Beauty for the Fragrance & Beauty Division and Beverages, Dairy, Savoury, Sweet Goods and Natural Ingredients for the Taste & Wellbeing Division, are not considered as separately reportable operating segments as decision making about the allocation of resources and the assessment of performance are not made at this level.

Inter-segment transfers or transactions are set on an arm's length basis.

Information about geographical areas is determined based on the Group's operations; Switzerland, Europe, Africa and Middle East, North America, Latin America and Asia Pacific. Revenues from external customers are shown by destination and by segment.

2.6 Revenue from Contracts with Customers

The Group manufactures and sells manufactured fragrance, beauty, taste and wellbeing products, specialty ingredients and molecules of fragrance and taste to the agreed upon specifications and may contain additional performance obligations for certain clients such as the assignment of specific application technologies, joint market research and particular stock conditions. Most of these additional performance obligations are not distinct because they are highly dependent on the delivery of manufactured products and molecules.

Sales are recognised when control of the goods has transferred, being when the goods are delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The goods are often sold with volume discounts based on aggregate sales over a 12 months period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts provided that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with credit terms being less than one year.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

2.7 Research and Product Development

The Group is active in research and in formulas, technologies and product developments. In addition to its internal scientific efforts, the Group collaborates with outside partners.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Internal developments or developments obtained through agreements on formula, technology and product costs are capitalised as intangible assets when there is an identifiable asset that will generate probable economic benefits and when the cost can be measured reliably. When the conditions for recognition of an intangible asset are not met, development expenditure is recognised in the income statement in the period in which it is incurred.

2.8 Employee Benefit Costs

Wages, salaries, social security contributions, annual leave and paid sick leave, bonuses and non-monetary benefits are expensed in the year in which the associated services are rendered by the Group's employees.

2.8.1 Pension obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, principally dependent on an employee's years of service and remuneration at retirement. Plans are usually funded by payments from the Group and employees to financially independent trusts. The liability recognised in the statement of financial position is the aggregate of the present value of the defined benefit obligation at the statement of financial position date less the fair value of plan assets. Where a plan is unfunded, only a liability representing the present value of the defined benefit obligation is recognised in the statement of financial position. The present value of the defined benefit obligation is calculated by independent actuaries using the projected unit credit method at interim and annual publication. This reflects the discounted expected future payment required to settle the obligation resulting from employee service in the current and prior periods. The future cash outflows incorporate actuarial assumptions primarily regarding the projected rates of remuneration growth, and long-term indexation rates. Discount rates, used to determine the present value of the defined benefit obligation, are based on the market yields of high quality corporate bonds in the country concerned. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the income statement. Pension assets and liabilities in different defined benefit schemes are not offset unless the Group has a legally enforceable right to use the surplus in one plan to settle obligations in another plan.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into publicly or privately administrated funds. The Group has no further payment obligations once the contributions have been made. The contributions are charged to the income statement in the year to which they relate.

2.8.2 Other post-retirement obligations

Some Group companies provide certain post-retirement healthcare and life insurance benefits to their retirees, the entitlement to which is usually based on the employee remaining in service up to retirement age and completing a minimum service period. The expected costs of these benefits are accrued over the periods in which employees render service to the Group.

2.9 Share-Based Payments

The Group has established a performance share plan to align the long-term interests of key executives and members of the Board of Directors with the interests of the shareholders.

Key executives are awarded a portion of their performance-related compensation in equity-settled share-based payment transactions. The costs are recorded in each relevant functions part of the employees' remuneration as personnel expenses with a corresponding entry in equity in own equity instruments for equity-settled share-based payment transactions. The different share-based payments are described below:

2.9.1 Performance Share Plan

Key executives are awarded a portion of their performance-related compensation in equity-settled share-based payment transactions in the form of a performance share plan.

The performance share plan is established with Givaudan registered shares and a vesting period of three years. The Group has at its disposal either treasury shares or conditional share capital.

The cost of equity-settled instruments is expensed as employee remuneration over the vesting period, together with a corresponding increase in equity in own equity instruments. The cost is determined by reference to the fair value of the shares expected to be delivered at the date of vesting. Performance conditions are included in the assumptions in which the number of shares varies. No market conditions are involved.

The fair value is determined as the market price at grant date reduced by the present value of dividends expected or any other expected distribution to the shareholders to be paid during the vesting period, as participants are not entitled to receive dividends or any other distribution to the shareholders during the vesting period.

At each statement of financial position date the Group revises its estimates of the number of shares that are expected to be delivered. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation.

2.9.2 Restricted Share Plan

The members of the Board of Directors receive a portion of their compensation in equity-settled share-based payment transactions in the form of restricted share units.

Restricted shares are set generally with a vesting period of three years, during which the restricted shares cannot be settled or transferred. The Group has at its disposal treasury shares for the delivery of the restricted shares.

The cost of these equity-settled instruments to be expensed, together with a corresponding increase in equity, over the vesting period, is determined by reference to the fair value of the restricted shares granted at the date of the grant. Service conditions are included in the assumptions about the number of restricted shares that are expected to become deliverable. No performance conditions are included.

The fair value is determined as the market price at grant date reduced by the present value of dividends expected or any other expected distribution to the shareholders to be paid during the vesting period, as participants are not entitled to receive dividends or any other distribution to the shareholders during the vesting period.

At each statement of financial position date the Group revises its estimates of the number of restricted shares that are expected to be delivered. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation.

2.10 Taxation

Income taxes include all taxes based upon the taxable profits of the Group, including withholding taxes payable on the distribution of retained earnings within the Group. Other taxes not based on income, such as property and capital taxes, are included either in operating expenses or in financial expenses according to their nature. The Group's liability for current income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The Group has determined that the global minimum top-up tax, which it may be required to pay under the OECD Pillar Two pro-visions as enacted in the Swiss tax legislation is an income tax under the scope of IAS 12. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Deferred income taxes are provided based on the full liability method, under which deferred tax consequences are recognised for temporary differences between the tax bases of assets and liabilities and their carrying values. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which those items can be utilised. Management considers that these tax benefits are probable on the basis of business projections on the relevant entities.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and interests in jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Current tax assets and liabilities are offset and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

Current and deferred tax are recognised as an expense or income in the income statement, except when they relate to items that are recognised outside the income statement, in which case the tax is also recognised outside the income statement.

2.11 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks and similar institutions. Cash equivalents are held for the purpose of meeting short-term cash commitments (maturity of three months or less from the date of acquisition) and are subject to an insignificant risk of changes in value.

2.12 Financial Assets

Financial assets are classified as financial assets at fair value through the income statement except for trade receivables which are classified at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Regular way purchases or sales of financial assets require delivery of assets within the time frame established by regulation or convention in the marketplace. All regular way purchases or sales of financial assets are recognised and derecognised at the settlement date (i.e. the date that the asset is delivered to or by the Group). Financial assets are classified as current assets, unless they are expected to be realised beyond twelve months of the statement of financial position date.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset in its entirety, the following amounts are recognised in the income statement: (i) the difference between the asset's carrying amount and the sum of the consideration received and receivable; (ii) the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity.

Dividend income from investments is recognised in other financial income (expense), net when the right to receive payment has been established. Interest income is accrued on a time basis and included in other financial income (expense), net.

2.12.1 Financial assets at fair value through the income statement

Financial assets such as debt instruments, equity securities, investment funds and derivatives not designated as effective hedging instruments are classified in this category.

Debt instruments are held with the objective to manage cash flows by both collecting their contractual cash flows and selling them at market price when needed. The main purpose of such instruments is to fund obligations related to employees. They are designated as financial assets measured at fair value through the income statement to avoid recognition inconsistency resulting from changes in fair values of the financial assets and the obligations.

Other financial assets which are not debt instruments are held with the main objectives to participate in long-term partnerships, to hedge certain financial risks, and to fund obligations related to employees. Their designation as financial assets measured at fair value through the income statement is in line with management intentions to hold such assets. These financial assets are initially measured at fair value whereas directly attributable transaction costs are expensed in the income statement. At the end of each period, the carrying value is adjusted to the fair value with a corresponding entry in the income statement until the investment is derecognised.

The subsidiaries in the United States of America entered over the years into various life insurance contracts called corporate owned life insurance (COLI) to fund long-term obligations related to employees. For both the COLI contracts and the associated long-term obligations, adjustments to the fair value, gains and losses, are recognised in the income statement.

For quoted equity instruments, the fair value is the market value, being calculated by reference to share exchange quoted selling prices at close of business on the statement of financial position date. Non-quoted financial assets are valued at fair value based on observable market transactions or if not available based on prices given by reputable financial institutions or on the price of the latest transaction.

2.12.2 Financial assets at amortised cost

Trade receivables are financial assets that are initially recognised at the transaction price and subsequently measured at amortised cost. They reach the objective of collecting contractual cash flows over their life. Trade receivables are carried at amortised cost less allowances for loss. They generally do not contain a significant financing component. The allowance loss measurement is then determined by applying a simplified approach equalling the lifetime expected credit losses. Under this approach the tracking of changes in credit risk is not required but instead the base lifetime expected credit loss at all times is applied. An allowance for loss is estimated using a provision matrix that takes into account both the outstanding amounts and the risk category of the debtor, which is based on past default experience, specific factors to debtors and reasonable and supportable information about future economic conditions. Losses are recorded within selling, marketing and distribution expenses in the income statement. Trade receivables are deemed as impaired when there is an indication of significant financial difficulties of the debtor (delinquency in or default on payments occurs, probability of bankruptcy or need for financial reorganisation).

Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

2.13 Derivative Financial Instruments and Hedging Activities

Most derivative instruments are entered into to provide economic hedges. They are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value. The method to recognise the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Movements on the hedging reserve in shareholders' equity are shown in the statement of changes in equity. These derivatives are presented as current or non-current on the basis of their settlement dates.

2.13.1 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within other comprehensive income, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is immediately recognised in financing costs in the income statement.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged transaction affects the income statement, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or liability, the amounts are transferred from equity and included in the initial measurement of the cost of the non-financial asset or liability.

When forward contracts are used to hedge forecast transactions such as future debt issuance, management assumes that the sources of hedge ineffectiveness in regards of the characteristics of the hedging relationship is sufficiently immaterial to exclusively perform a qualitative assessment.

When the hedging instrument expires or is sold, terminated or exercised, or the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the ultimate forecast transaction occurs. If the forecast transaction is no longer expected to occur, any cumulative gain or loss existing in equity is immediately taken to the income statement.

2.13.2 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognised immediately in other financial income and expense in the income statement.

2.13.3 Derivatives at fair value through the income statement

Certain derivative instruments do not qualify for hedge accounting and are accounted for at fair value through the income statement. At each statement of financial position date these derivative instruments are valued at fair value based on quoted market prices, with the unrealised gain or loss recognised in the income statement. They are derecognised when the Group has lost control of the contractual rights of the derivatives, at which time a realised gain or loss is recognised in the income statement.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using a weighted average cost formula. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads but excludes borrowing costs. Cost of sales includes the corresponding direct production costs of goods manufactured and services rendered as well as related production overheads. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.15 Property, Plant and Equipment

Property, plant and equipment are initially recognised at cost of purchase or construction and subsequently at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment includes expenditure that is attributable to the purchase or construction.

The assets are depreciated on a straight-line basis, except for land, which is not depreciated. Estimated useful lives of major classes of depreciable assets are as follows:

– Buildings and land improvements: 40 years
– Machinery, equipment and vehicles: 3–15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date.

The carrying values of assets are written down to their recoverable amount when the carrying value is greater than their estimated recoverable amount (Note 2.18).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount with gains being recognised within other operating income and losses being recognised within other operating expense within the income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent costs such as repairs and maintenance are recognised as expenses as incurred.

2.16 Leases

For all agreements containing a lease, a right-of-use asset and a corresponding lease liability are recognised, except for low-value assets and short-term leases, defined as leases with a lease term of 12 months or less. Those are recognised as an expense on a straight-line basis in the consolidated income statement. The Group accounts for contracts containing both lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the future lease payments, as from commencement date of the lease until the expected termination date. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The lease term is reassessed if an option is, or not, actually exercised or the Group becomes obliged, or not, to exercise it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. The lease payments are discounted by using the interest rate implicit in the contract or, if not available, the incremental borrowing rate, which is defined as the interest rate that the Group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The lease liability is subsequently measured to reflect interest, lease payments and any lease modifications. The lease liability is presented under the lines short-term debt and long-term debt in the consolidated statement of financial position. The interest expense is presented in the line financing costs in the consolidated income statement.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct costs and estimates of cost to put the underlying asset in the appropriate condition. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. They are depreciated over the shorter period of the lease term and the useful life of the underlying asset. Right-of-use-assets are presented in the consolidated statement of financial position under the line property, plant and equipment.

All lease payments on leases are presented as part of cash flows from financing activities, except for the short-term and low-value leases cash flows which are booked under operating activities.

2.17 Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions is recognised in the statement of financial position as an intangible asset. Goodwill is tested annually for impairment or more frequently when there are indications of impairment, and carried at cost less accumulated impairment losses. Impairment charges on goodwill are not reversed. Any goodwill or fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are recognised in the local currency at the effective date of the transaction and translated at year-end exchange rates. For the purpose of impairment testing, goodwill is allocated to the cash-generating units being the Group's reportable operating segments: Taste & Wellbeing Division and Fragrance & Beauty Division, which itself includes two lower levels of cash-generating units related to Expressions Parfumées and Fragrance Oils.

Intangible assets acquired in a business combination are identified and recognised separately from goodwill when they satisfy the definition of an intangible asset and their fair values can be measured reliably.

Internal developments are capitalised as intangible assets when there is an identifiable asset that will generate probable economic benefits and when the cost can be measured reliably. Costs include all costs directly attributable to preparing the asset for use. Development costs previously recognised as an expense are not recognised as an asset in subsequent periods.

Separately acquired intangible assets are capitalised when the identifiable asset will generate probable economic benefits and when its cost can be measured reliably.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is on a straight-line basis over the estimated economic useful life of the asset. Useful life is determined based on the character of the asset and may be indefinite. In that case, the asset is not amortised but annually tested for impairment. Estimated definite useful life of major classes of amortisable assets are as follows:

- Process-oriented technology: 5–25 years
- Client relationships: 15–23 years
- Supplier relationships: 3 years
- Name and product brands: 2–20 years
- Software/ERP system: 3–7 years

Gains or losses arising on the disposal of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount with gains being recognised within other operating income and losses being recognised in other operating expense within the income statement.

2.18 Impairment of Long-Lived Assets

Non-financial assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. When the recoverable amount of a non-financial asset, being the higher of its fair value less cost to sell and its value in use, is less than its carrying amount, then the carrying amount is reduced to the asset's recoverable value. This reduction is recognised as an impairment loss within other operating expense within the income statement. Value in use is determined by using pre-tax cash-flow projections over a five-year period and a terminal value. These are discounted using a pre-tax discount rate that reflects current market conditions of the time value of money and the risks specific to the asset.

Intangible assets with indefinite useful life are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

An impairment loss is reversed if there has been a change in the circumstances used to determine the recoverable amount. A previously recognised impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.19 Accounts Payable – Trade and Others

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers and are carried at amortised cost.

2.20 Debt

The proceeds of straight bonds, of private placements and of debt issued are recognised as the proceeds received, net of transaction costs incurred. Any discount arising from the coupon rate and transaction costs deducted, represented by the difference between the net proceeds and the redemption value, is amortised using the effective interest rate method and charged to interest expense over the life of the bonds or the private placements. Debt is derecognised at redemption date.

Debt is classified within current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

2.21 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and for which a reliable estimate of the amount of the obligation can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation.

2.22 Own Equity Instruments

Own equity instruments are own shares and derivatives on own shares. Purchases and sales are accounted for at the settlement date.

Purchases of own shares are recognised at acquisition cost including transaction costs as a deduction from equity. The original cost of acquisition, results from resale and other movements are recognised as changes in equity, net. Treasury shares acquired by the execution of own equity derivatives are recognised at the execution date market price.

The settlement and the contract for derivatives on own shares determine the categorisation of each instrument. When the contract assumes the settlement is made by exchanging a fixed amount of cash for a fixed number of treasury shares, the contract is recognised in equity except for a forward contract to buy and write put options which is recognised as a financial liability. When the contract assumes the settlement either net in cash or net in treasury shares or in the case of option of settlement, the contract is recognised as a derivative. Instruments recognised in equity are recognised at acquisition cost including transaction costs. Instruments recognised as financial liabilities are recognised at the net present value of the strike price of the derivative on own shares with the interest charge recognised over the life of the derivative in the line Financing costs of the income statement. They are derecognised when the Group has lost control of the contractual rights of the derivative, with the realised gain or loss recognised in equity.

At each statement of financial position date instruments recognised as derivatives are valued at fair value based on quoted market prices, with any unrealised gain or loss adjusted against equity. They are derecognised when the Group has lost control of the contractual rights of the derivatives, with any realised gain or loss recognised.

2.23 Distribution to the Shareholders

Dividend distributions or distributions out of statutory capital reserves from ‘capital contributions – additional paid-in capital’ are recognised in the period in which they are approved by the Group's shareholders.

3. Critical Accounting Estimates and Judgments

The estimates and underlying assumptions are reviewed on an ongoing basis and are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

3.1 Critical Accounting Estimates and Assumptions

The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are for the most part related to:

– In a business combination, the determination of the fair value of the identifiable assets acquired, particularly intangibles, and the liability requiring estimations which are based on all available information and in some cases on assumptions with respect to the timing and amount of future revenues and expenses associated with an asset. The purchase price is allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The excess is reported as goodwill. As a result, the purchase price allocation impacts reported assets and liabilities, future net earnings due to the impact on future depreciation and amortisation expense and impairment charges (Note 6);

– The impairment of goodwill requiring estimates of the value in use of the cash-generating units to which goodwill is allocated (Note 22);

– The impairment of long-lived assets requiring estimates to measure the recoverable amount of an asset or group of assets (Note 21 and 22);

– The calculation of the present value of defined benefit obligations requiring financial and demographic assumptions (Note 8);

– The determination and provision for income taxes requiring estimated calculations for which the ultimate tax determination is uncertain (Note 16);

– The provisions requiring assumptions to determine reliable best estimates (Note 25); and

– The contingent liabilities assessment (Note 29).

If, in the future, estimates and assumptions, which are based on management's best judgment at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

3.2 Critical Judgments in Applying the Entity's Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimates, which have the most significant effect on the amounts recognised in the consolidated financial statements:

– Internal developments on formulas, technologies and products: The outcome of these developments depends on their final formulation and application, which varies to meet customer needs, and consequently the future economic benefits of these developments are not certain. Thus the criteria for the recognition as an asset of the internal developments on formulas, technologies and products are generally not met. The expenditures on these activities are recognised as expense in the period in which they are incurred.

4. Foreign Exchange Rates

Foreign currency to Swiss francs exchange rates	ISO code	Units	31 Dec 2023	Average 2023	31 Dec 2022	Average 2022	31 Dec 2021	Average 2021
Dollar	USD	1	0.84	0.90	0.92	0.95	0.91	0.91
Euro	EUR	1	0.93	0.97	0.99	1.00	1.04	1.08
Pound	GBP	1	1.07	1.12	1.12	1.18	1.23	1.26
Yen	JPY	100	0.60	0.64	0.70	0.73	0.79	0.83
Singapore dollar	SGD	1	0.64	0.67	0.69	0.69	0.68	0.68
Real	BRL	1	0.17	0.18	0.18	0.19	0.16	0.17
Renminbi	CNY	1	0.12	0.13	0.13	0.14	0.14	0.14
Mexican peso	MXN	100	4.97	5.08	4.74	4.75	4.45	4.49
Rupiah	IDR	10,000	0.55	0.59	0.59	0.64	0.64	0.64

5. Financial Risk Management

5.1 Capital Management

The objective of the Group when managing capital is to maintain the ability to continue as a going concern whilst maximising shareholder value through an optimal balance of debt and equity.

In order to maintain or adjust the capital structure, management may issue or reimburse debt, propose to adjust the amounts distributed to the shareholders, return capital to shareholders, issue new shares and cancel shares through share buyback programmes.

The Group monitors its capital structure using a number of classic measures, but mainly Net Debt to EBITDA. The Group is committed to maintaining an investment grade credit profile, as defined by external rating agencies.

The Net Debt to EBITDA ratio is defined as follows:

- Net debt is calculated as the total of the consolidated short-term and long-term debt, less cash and cash equivalents.
- EBITDA is defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

The Group has entered into several private placements which contain various covenants with externally imposed capital requirements. The Group was in compliance with these requirements as at 31 December 2023 and 2022.

5.2 Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group generally enters into financial derivative transactions to hedge underlying business related exposures.

Risk management is carried out by a team within the central treasury department (hereafter 'Group Treasury') under the risk management policies approved by the Board of Directors. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk and credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Group Treasury monitors and manages financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risk. To manage the interest rate and currency risk arising from the Group's operations and its sources of finance, the Group enters into derivative transactions, primarily interest rate swaps, forward currency contracts and options. Compliance with policies and exposure limits is reviewed by the treasury controlling on a continuous basis. Group Treasury issues monthly reports for the Chief Financial Officer and quarterly reports for the Audit Committee.

Categories of financial instruments

The accounting policies for financial instruments have been applied to the items in the table:

2023 in millions of Swiss francs	Note	At amortised cost	At fair value through the income statement	Derivatives used for hedge accounting	Other financial liabilities	Total
Current financial assets						
Cash and cash equivalents	18	600				600
Derivative financial instruments	5.3		17	8		25
Financial assets at fair value through income statement	5.3		8			8
Accounts receivable – trade	19	1,452				1,452
Other current assets [a]		129				129
Non-current financial assets						
Derivative financial instruments	5.3			99		99
Financial assets at fair value through income statement	5.3		271			271
Total financial assets as at 31 December		**2,181**	**296**	**107**		**2,584**
Current financial liabilities						
Short-term debt	23	45 [b]			397	442
Derivative financial instruments	5.3		59	11		70
Accounts payable					891	891
Financial liability - own equity instruments	26				64	64
Non-current financial liabilities						
Derivative financial instruments	5.3			11		11
Long-term debt	23	362 [b]			4,101	4,463
Financial liability – own equity instruments	26				28	28
Other non-current liabilities			51 [c]			51
Total financial liabilities as at 31 December		**407**	**110**	**22**	**5,481**	**6,020**

a) Other current assets consist of other receivables non trade.
b) Lease liabilities.
c) Deferred consideration related to the acquisition of DDW in 2021.

2022 in millions of Swiss francs	Note	At amortised cost	At fair value through the income statement	Derivatives used for hedge accounting	Other financial liabilities	Total
Current financial assets						
Cash and cash equivalents	18	475				475
Derivative financial instruments	5.3		21			21
Financial assets at fair value through income statement	5.3		13			13
Accounts receivable – trade	19	1,512				1,512
Other current assets [a]		128				128
Non-current financial assets						
Derivative financial instruments	5.3			144		144
Financial assets at fair value through income statement	5.3		286			286
Total financial assets as at 31 December		**2,115**	**320**	**144**		**2,579**
Current financial liabilities						
Short-term debt	23	49 [b]			307	356
Derivative financial instruments	5.3		70			70
Accounts payable					861	861
Financial liability - own equity instruments	26				76	76
Non-current financial liabilities						
Derivative financial instruments	5.3			18		18
Long-term debt	23	352 [b]			4,297	4,649
Financial liability – own equity instruments	26				46	46
Other non-current liabilities			52 [c]			52
Total financial liabilities as at 31 December		**401**	**122**	**18**	**5,587**	**6,128**

a) Other current assets consist of other receivables non trade.
b) Lease liabilities.
c) Deferred consideration related to the acquisition of DDW in 2021.

The fair value of each class of financial assets and liabilities, except financial assets and liabilities at amortised cost, is determined by reference to published price quotations and is estimated based on valuation techniques using the quoted market prices. Given the nature of the Group's accounts receivable trade items, the carrying value is considered as equivalent to the fair value.

5.2.1 Market Risk

The Group's activities primarily expose it to the financial risks of changes in foreign currency exchange rates, interest rates and commodity prices. The Group enters into a number of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk, including:

– Currency derivatives, mainly forward foreign exchange contracts, to hedge the exchange rate risk arising from recorded transactions; and

– Interest rate swaps and other instruments to mitigate the risk of interest rate increases and/or to optimally manage interest rate costs depending on the prevailing interest rate environment.

Market risk exposures are measured using sensitivity analysis. There has been no change during the year in the structure of the Group's exposure to market risks or the manner in which these risks are managed.

5.2.1.1 Foreign Exchange Risk

The Group operates across the world and is exposed to movements in foreign currencies affecting its net income and financial position. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investments in foreign operations.

It is the Group's policy to enter into derivative transactions to hedge current and forecasted foreign currency transactions, and translation risk arising from certain investments in foreign operations with a functional currency different from the Group's presentation currency.

In 2018 the Group applied hedge accounting on the net investment in foreign currency in Naturex SA with the aim of being protected from the foreign currency risk on the translation of the investment in Naturex (i.e. EUR) into the Group's presentation currency (i.e. CHF). In total EUR 1,292 million of Euro straight bonds were designated as hedging instruments, corresponding to the net investment in Naturex. This resulted in a gain of CHF 76 million (2022: gain of CHF 64 million), recognised in currency translation differences in equity in 2023.

In 2022 and 2023 the Group applied hedge accounting on the foreign currency risk related to the Euro straight bond coupons.

In 2020 the Group also applied hedge accounting on the net investment in foreign currency in Ungerer with the aim of being protected from the foreign currency risk on the translation of the investment in Ungerer (i.e. USD) into the Group's presentation currency (i.e. CHF). The combination of a Eurobond and several cross-currency swaps as one single item are designated as a hedging instrument for a total of USD 544 million corresponding to the foreign currency principal cash flow of the cross-currency swap. In 2023 it resulted in a gain of CHF 45 million (2022: loss of CHF 7 million) recognised in currency translation differences in equity.

The cross-currency swaps designated in the above mentioned hedging relationship have the following characteristics:

Entity	Issue date	Type of instrument	Notional amount in millions of EUR	Notional amount in millions of USD	Annual USD fixed interest rate (payment)	Annual EUR fixed interest rate (receipt)	Starting date	Maturity date
Givaudan SA	2020	Cross-currency swaps	80	87.3	2.218%	1%	22 Apr 2020	22 Apr 2027
			100	108.8	2.166%			
			80	86.9	2.167%			
			80	87.0	2.166%			
			90	97.9	2.133%			
			70	76.1	2.126%			

Furthermore, Group Treasury centrally manages foreign exchange risk management activities against the functional currency of each subsidiary, and is required to hedge, whenever cost-effective, their largest exposures.

The measurement of the foreign currency risk expresses the total exposure by currency, which is in the opinion of Group Treasury a representative manner to monitor the risk. It measures the cumulative foreign exchange risk of all subsidiaries of recognised assets and liabilities that are denominated in a currency (e.g. USD) that is not the subsidiary's functional currency (e.g. other than USD).

The following table summarises the significant exposures to the foreign currency risk at the date of the consolidated statement of financial position:

Currency exposure 2023 in millions of Swiss francs	USD	EUR	CHF	GBP	SGD
Currency exposure without hedge [a]	50	(1,375)	660	(154)	34
Hedged amount	(49)	1,354	(625)	165	(43)
Currency exposure including hedge	1 [b]	(21)	35	11	(9)

Currency exposure 2022 in millions of Swiss francs	USD	EUR	CHF	GBP	SGD
Currency exposure without hedge [a]	12	(750)	818	(159)	70
Hedged amount	8	724	(834)	158	(78)
Currency exposure including hedge	20 [b]	(26)	(16)	(1)	(8)

a) + long position; - short position.
b) Mainly due to unhedged positions in countries where hedging is not cost-effective.

In the exposure calculations the intra-Group positions, except those related to net investments in foreign operations in Naturex and Ungerer, are included. The Euro straight bonds for the amounts of EUR 1,292 million and USD 544 million, which are both designated as hedging instruments, have been excluded respectively from the EUR and USD exposures to align the foreign exchange risk through natural hedging.

The following table summarises the sensitivity to transactional currency exposures of the main currencies as at 31 December:

Currency risks 2023 in millions of Swiss francs	USD	EUR	CHF	GBP	SGD
Reasonable shift	12%	5%	5%	9%	5%
Impact on income statement if the currency strengthens against all other currencies	–	(1)	2	1	–
Impact on income statement if the currency weakens against all other currencies	–	1	(2)	(1)	–

Currency risks 2022 in millions of Swiss francs	USD	EUR	CHF	GBP	SGD
Reasonable shift	9%	6%	6%	9%	7%
Impact on income statement if the currency strengthens against all other currencies	2	(2)	(1)	–	–
Impact on income statement if the currency weakens against all other currencies	(2)	2	1	–	–

The sensitivity is based on the exposure at the date of the consolidated statement of financial position and based on assumptions deemed reasonable by management, showing the impact on income before tax. Management uses historical volatilities of the significant currencies contributing to the exposure to determine the reasonable change.

Argentina became hyperinflationary effective 1 July 2018, requiring retroactive implementation of hyperinflation accounting as of 1 January 2018. The impact of the restatement of the non-monetary assets and liabilities of the subsidiaries in Argentina with the general price index at the beginning of the period is recorded in the opening equity. In the current year the subsequent loss resulting from the restatement of non-monetary assets of CHF 9 million (2022: CHF 14 million loss) is recorded in other financial income (expense), net.

5.2.1.2 Interest Rate Risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at fixed as well as floating interest rates, and invest in debt financial instruments. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially counterbalanced by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

Group Treasury manages interest rate risk centrally by simulating various scenarios on liabilities taking into consideration refinancing, renewal of existing positions and hedging. Hedging strategies are applied by either positioning the liabilities or protecting interest expense through different interest cycles. Hedging activities are regularly evaluated to align interest rate views and define risk limits. Group Treasury manages interest rate risk mainly through the use of interest rate swap contracts.

The following table shows the sensitivity to interest rate changes:

As at 31 December 2023 in millions of Swiss francs	100 basis points increase	100 basis points decrease
Impact on income statement	–	–
Impact on equity	98	(97)

As at 31 December 2022 in millions of Swiss francs	150 basis points increase	25 basis points decrease
Impact on income statement	–	–
Impact on equity	105	(21)

The sensitivity is based on exposure on net liabilities at the date of the consolidated statement of financial position using assumptions which have been deemed reasonable by management showing the impact on the income before tax.

Cash flow hedges

The Group entered into several forward starting interest rate swaps, in order to protect against future increases in interest rates, while also fixing the interest rate on future debt issuance. The transactions have the following character:

Entity	Issue date	Hedge instrument	Currency of instrument	Notional amount in millions	Annual fixed interest rate (payment)	Floating rate (receipt)	Starting date	Maturity date	Hedge item
Givaudan SA	2014 2015	Forward starting interest rate swaps	CHF	100	2.345%	The 3 months CHF Saron rate	15 Feb 2024 19 Mar 2024	15 Feb 2034 19 Mar 2034	Highly probable debt issuance in 2024 replacing the public bond of CHF 150 million, issued in Mar 2014 with a 10 year maturity
Givaudan SA	2016 2017	Forward starting interest rate swaps	CHF	100	0.921%	The 6 months CHF Saron rate	05 Dec 2031	05 Dec 2041	Highly probable debt issuance in 2031 replacing the public bond of CHF 200 million, issued in Dec 2016 with a 15 year maturity
Givaudan SA	2018 2022	Forward starting interest rate swaps	CHF	50	1.490%	The 6 months CHF Saron rate	09 Apr 2025 25 Apr 2025	09 Apr 2030 25 Apr 2030	Highly probable debt issuance in 2025 replacing the public bond of CHF 200 million, issued in Apr 2018 with a 7 year maturity
Givaudan SA	2022	Forward starting interest rate swaps	CHF	75	2.038%	The 6 months CHF Saron rate	15 Jun 2026	15 Jun 2030	Highly probable debt issuance in 2026 replacing the public bond of CHF 150 million, issued in Jun 2022 with a 4 year maturity
Givaudan SA	2022	Forward starting interest rate swaps	CHF	50	1.694%	The 6 months CHF Saron rate	07 Jun 2027	07 Jun 2033	Highly probable debt issuance in 2027 replacing the public bond of CHF 150 million, issued in Dec 2021 with a 5.5 year maturity
Givaudan SA	2022	Forward starting interest rate swaps	CHF	75	1.258%	The 6 months CHF Saron rate	10 Nov 2028	10 Nov 2036	Highly probable debt issuance in 2028 replacing the public bond of CHF 150 million, issued in Nov 2020 with an 8 year maturity
Givaudan SA	2022	Forward starting interest rate swaps	CHF	50	2.367%	The 6 months CHF Saron rate	15 Jun 2029	15 Jun 2036	Highly probable debt issuance in 2029 replacing the public bond of CHF 150 million, issued in Jun 2022 with a 7 year maturity
Givaudan SA	2019 2020 2021	Forward starting interest rate swaps	EUR	100	0.967%	The 6 months Euribor rate	20 Dec 2024	22 Dec 2031	Highly probable debt issuance in 2024 replacing the private placement of EUR 200 million, issued in Dec 2017 with a 7 year maturity
Givaudan SA	2019 2020 2021	Forward starting interest rate swaps	EUR	200	1.502%	The 6 months Euribor rate	17 Sep 2025	17 Sep 2032	Highly probable debt issuance in 2025 replacing the public bond of EUR 500 million, issued in Sep 2018 with a 7 year maturity
Givaudan SA	2019 2020 2021	Forward starting interest rate swaps	EUR	375	1.190%	The 6 months Euribor rate	17 Sep 2030	17 Sep 2040	Highly probable debt issuance in 2030 replacing the public bond of EUR 800 million, issued in Sep 2018 with a 12 year maturity
Givaudan SA	2020 2021	Forward starting interest rate swaps	EUR	150	0.715%	The 6 months Euribor rate	22 Apr 2032	22 Apr 2042	Highly probable debt issuance in 2032 replacing the public bond of EUR 500 million, issued in Apr 2020 with a 12 year maturity
Givaudan SA	2021 2022	Forward starting interest rate swaps	EUR	200	0.847%	The 6 months Euribor rate	22 Apr 2027	22 Apr 2034	Highly probable debt issuance in 2027 replacing the public bond of EUR 500 million, issued in Apr 2020 with a 7 year maturity

The carrying amount of the total cash flow hedges at 31 December 2023 is CHF 76 million (2022: CHF 141 million). The amount of fair value recognised in other comprehensive income is a loss of CHF 59 million (2022: gain of CHF 197 million).

Hedge positions closed

The Group closed several financial instruments which had been entered into to protect against future increases in interest rate, while also fixing the interest rate on future debt issuance. The corresponding gains and losses which have been recorded in equity will be recycled in the income statement (Other financial income (expense) / Financing costs) over the period of the cash flow initially hedged, although the period of cash flows of the newly issued debt is sometimes different. The transactions have the following characteristics:

Entity	Inception date	Type of Instrument	Currency of Instrument	Notional amount in millions	Average rate	Fair value of financial instrument at the date of settlement in millions of Swiss francs	Amount recycled in the income statement over the period in millions of Swiss francs	Starting date of recycling through income statement	Maturity Date	Tranche	Assigned to debt
Givaudan SA	2012	Treasury locks	USD	100	1.80%	(1)	–	Feb 2013	Feb 2023	10Y	Private Placements for a total of USD 250 million, respectively USD 40 million redeemable in February 2020 with an annual interest rate of 2.74%, USD 150 million redeemable in February 2023 with an annual interest rate of 3.30% and USD 60 million redeemable in February 2025 with an annual interest rate of 3.45%.
	2012 2014	Forward starting interest rate swaps	CHF	150	1.90%	(15)	(1)	Apr 2018	Apr 2023	5Y	Public bond for a total of CHF 350 million, respectively CHF 150 million at a floating rate with 2 year maturity and CHF 200 million at a rate of 0.375% with 7 year maturity.
	2018		EUR	400	1.05%	(1) (5)	– (1)	Sep 2018	Sep 2025 Sep 2028	7Y 10Y	Dual tranche placement of Euro bond totalling EUR 1,300 million, respectively of EUR 500 million at a rate of 1.125% for 7 years and EUR 800 million at a rate of 2.000% for 12 years.
	2014 2015 2018 2019		CHF	125	1.40%	(2) (20)	– (3)	Nov 2020	Nov 2025 Nov 2028	5Y 8Y	Public bond of CHF 150 million at a rate of 0.150% with 8 year maturity.
	2014 2015		CHF	125	2.05%	(25)	(3)	Dec 2021	Jun 2030	8.5Y	Public bond of CHF 150 million at a rate of 0.375% with 8.5 year maturity.
	2022		CHF	25	0.39%	4	1	Jun 2022	Jun 2026	4Y	Public bond of CHF 150 million at a rate of 1.125% with 4 year maturity.
Total for the year ended 31 December 2023							(7)				

5.2.1.3 Price Risk

The Group is exposed to equity price risk arising from equity investments held classified at fair value through income statement. The Group manages its price risk through a diversification of portfolios within the limits approved by the Board of Directors.

The Group holds its own shares to meet future expected obligations under the various share-based payment schemes.

Sensitivity analysis

The Group's equity portfolio is composed mainly of US and EUR shares. The benchmark for the reasonable change is an average of historical volatility of US indexes (16% for the last three years) and of CAC PME index (25% for the last three years).

The sensitivity analysis has been determined based on the exposure to equity price risks at the end of the reporting period:

2023 in millions of Swiss francs	Equity price increase	Equity price decrease
Impact on income statement	50	(50)

2022 in millions of Swiss francs	Equity price increase	Equity price decrease
Impact on income statement	57	(57)

5.2.2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Commercial credit risk is managed by the Group's subsidiaries and monitored on a Group basis whilst counterparty risk related to financial institutions is centrally managed within the Group Treasury function.

Trade receivables are subject to a policy of active risk management which focuses on the assessment of country risk, credit limits, ongoing credit evaluation and account monitoring procedures. Generally, there is no significant concentration of trade receivables or commercial counterparty credit risk, due to the large number of customers that the Group deals with and their wide geographical spread with the exception of one single external customer that generates revenues, mainly attributable to the Fragrance & Beauty Division, of approximately CHF 500 million (2022: CHF 499 million). Countries, credit limits and exposures are continuously monitored.

The credit risk on liquid funds, derivatives and other monetary financial assets is limited because the counterparties are financial institutions with investment grade ratings.

The following table presents the credit risk exposure to individual financial institutions:

	2023			2022		
	Total in millions of Swiss francs	Max. with any individual bank in millions of Swiss francs	Number of banks	Total in millions of Swiss francs	Max. with any individual bank in millions of Swiss francs	Number of banks
AAA – range	33	33	1	3	3	1
AA – range	37	27	5	64	57	4
A – range	401	112	15	286	74	14
BBB – range	101	91	4	98	64	6

The carrying amount of financial assets recognised in the consolidated financial statements, which is net of impairment losses, represents the Group's maximum exposure to credit risk.

5.2.3 Liquidity Risk

The Group manages liquidity risk by maintaining sufficient cash, marketable securities, availability of funds through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, Group Treasury maintains flexibility in funding by maintaining availability under committed and uncommitted credit lines.

Group Treasury monitors and manages cash at the Group level and defines the maximum cash level at subsidiary level. Cash surpluses held by subsidiaries over and above amounts required for working capital management are transferred to the central treasury centre. The surplus of cash is generally invested in interest bearing current accounts, time deposits, money market deposits and funds. When necessary, intercompany loans are granted by the Group to subsidiaries to meet their non-recurrent payment obligations.

The following table analyses the Group's remaining contractual maturity for financial liabilities and derivative financial instruments. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group is obliged to pay.

The table includes both interest and principal cash flows:

2023 in millions of Swiss francs	Up to 6 months	6–12 months	1–5 years	Over 5 years	Total
Short-term debt (excluding bank overdrafts)	(197)	(209)			(406)
Accounts payable	(891)				(891)
Net settled derivative financial instruments	–	–	6	96	102
Gross settled derivative financial instruments – outflows	(2,605)	(220)			(2,825)
Gross settled derivative financial instruments – inflows	2,561	214			2,775
Long-term debt	(19)	(47)	(1,926)	(2,601)	(4,593)
Balance as at 31 December	(1,151)	(262)	(1,920)	(2,505)	(5,838)

2022 in millions of Swiss francs	Up to 6 months	6–12 months	1–5 years	Over 5 years	Total
Short-term debt (excluding bank overdrafts)	(301)	(13)			(314)
Accounts payable	(861)				(861)
Net settled derivative financial instruments			21	169	190
Gross settled derivative financial instruments – outflows	(3,743)	(457)			(4,200)
Gross settled derivative financial instruments – inflows	3,697	454			4,151
Long-term debt	(15)	(26)	(2,532)	(2,041)	(4,614)
Balance as at 31 December	(1,223)	(42)	(2,511)	(1,872)	(5,648)

The undiscounted cash flows related to lease liabilities are CHF 57 million (2022: CHF 54 million) within 1 year, CHF 148 million (2022: CHF 135 million) within 1 to 5 years and CHF 256 million (2022: CHF 259 million) thereafter.

5.3 Fair Value Measurements

The following tables present the Group's assets and liabilities that are measured subsequent to initial recognition at fair value, grouped into levels 1 to 3 based on the degree to which the fair value is measured:

- **Level 1** inputs to measure fair value are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- **Level 2** inputs to measure fair value are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3** inputs to measure fair value are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

2023 in millions of Swiss francs	Level 1	Level 2	Level 3	Total
Financial assets at fair value through income statement				
Forward foreign exchange contracts		17		17
Swaps (hedge accounting)		107		107
Corporate owned life insurance		67		67
Equity securities	90		112	202
Debt securities	7	3		10
Total assets	97	194	112	403
Financial liabilities at fair value through income statement				
Forward foreign exchange contracts		59		59
Swaps (hedge accounting)		22		22
Other [a]			51	51
Total liabilities		81	51	132

2022 in millions of Swiss francs	Level 1	Level 2	Level 3	Total
Financial assets at fair value through income statement				
Forward foreign exchange contracts		21		21
Swaps (hedge accounting)		144		144
Corporate owned life insurance		35		35
Equity securities	103	13	122	238
Debt securities	4	22		26
Total assets	107	235	122	464
Financial liabilities at fair value through income statement				
Forward foreign exchange contracts		70		70
Swaps (hedge accounting)		18		18
Other [a]			52	52
Total liabilities		88	52	140

a) Deferred consideration related to the acquisition of DDW in 2021.

Financial assets and liabilities at fair value through income statement are measured with Level 1, Level 2 and Level 3 inputs:

- Level 1 financial assets consist of marketable securities quoted on financial market;
- Level 2 financial assets and liabilities consist of cross-currency swaps and forward foreign exchange contracts that are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts, of interest swaps that are measured using quoted interest rates and yield curves derived from quoted interest rates matching maturities of the contracts, and of corporate owned life insurance (COLI) that are measured on quoted instruments with similar credit ratings and terms in a mix of money market, fixed income and equity funds managed by unrelated fund managers. A small portion of the financial and derivative assets consist of investments in bonds and warrants of a publicly traded company; and
- Level 3 financial assets consist of investment funds in venture capital that are measured quarterly by independent third parties using proprietary valuation models which are audited by qualified authorities. Furthermore, level 3 financial assets also include the b.kolor investment made by the Group in 2021 as well as the option to acquire a controlling stake in the business. Givaudan initially acquired 25% of the share capital of b.kolor for a purchase price of CHF 89 million, and as the terms of the agreement do not establish a significant influence for Givaudan, the investment has been accounted for as a financial asset at fair value through income statement. The fair value of the b.kolor investment was determined by performing a Discounted Cash Flow analysis on the basis of the latest business plan information available to the Group. On the other hand, the fair value measurement of the option was determined through a Monte Carlo valuation model which requires assumptions and inputs that can lead to volatility of the underlying value. The volatility used in the model was estimated based on a group of comparable quoted companies using their daily and monthly share prices over a period of three years. The total loss relating to level 3 financial assets recognized in other financial income (expenses), net amounted to CHF 6 million (2022: CHF 10 million gain).

There was no transfer between the level categories in the period.

6. Acquisitions and Investments

Acquisitions 2023

Amyris

Givaudan acquired a cosmetic ingredients portfolio from Amyris, Inc on 4 April 2023 for the amount of CHF 183 million (USD 200 million).

The initial measurement of the identifiable assets of Amyris was at cost. The acquisition cost has been allocated to the assets on a relative fair value basis at the date of acquisition. The total assets acquired consist of intangible assets of CHF 183 million (client relationships of CHF 106 million and process-oriented technology of CHF 77 million).

In addition to the cash settlement of CHF 183 million, Givaudan may make additional cash payments up to a maximum of USD 150 million in relation to performance related incentives over the three years from the date of acquisition. These cash payments are not included in the initial cost of the assets at the date of acquisition, instead they will be added to the cost of the assets when they are incurred.

Given that this acquisition does not fall under the scope of IFRS 3 Business Combinations, no goodwill was recognised.

7. Segment Information

Management has determined the operating segments based on the reports reviewed by the Executive Committee that are used to allocate resources to the segments and to assess their performance. The Executive Committee considers the business from a divisional perspective:

Fragrance & Beauty

Manufacture and sale of fragrance and beauty products into three global business units: Fine Fragrances, Consumer Products and, Fragrance Ingredients and Active Beauty. Expressions Parfumées and Fragrance Oils are both included in Fine Fragrances and Consumer Products; and

Taste & Wellbeing

Manufacture and sale of taste and wellbeing products into five business units: Beverages, Dairy, Savoury, Sweet Goods and Natural Ingredients. The information of the division is reviewed by the Executive Committee primarily by region.

The performance of the operating segments is based on EBITDA as a percentage of sales.

BUSINESS SEGMENTS

		Fragrance & Beauty		Taste & Wellbeing		Group	
in millions of Swiss francs	Note	**2023**	2022	**2023**	2022	**2023**	2022
Segment sales		3,312	3,256	3,603	3,861	6,915	7,117
Less inter segment sales[a]		–	–	–	–	–	–
Segment sales to third parties		3,312	3,256	3,603	3,861	6,915	7,117
EBITDA		769	698	704	778	1,473	1,476
as % of sales		23.2%	21.4%	19.5%	20.1%	21.3%	20.7%
Depreciation	21	(81)	(84)	(121)	(125)	(202)	(209)
Amortisation	22	(64)	(56)	(90)	(99)	(154)	(155)
Impairment of long-lived assets	21, 22		–	(1)	–	(1)	–
Additions to Property, plant and equipment	21	153	106	156	158	309	264
Additions to Intangible assets	22	28	28	33	44	61	72
Acquisitions of Intangible assets (excluding goodwill)	6, 22	183				183	
Total gross investments		364	134	189	202	553	336

a) Transfer prices for inter-divisional sales are set on an arm's length basis.

The amounts by division provided to the Executive Committee are measured in a consistent manner in terms of accounting policies with the consolidated financial statements.

Reconciliation table to Group's operating income

	Fragrance & Beauty		Taste & Wellbeing		Group	
in millions of Swiss francs	2023	2022	2023	2022	2023	2022
EBITDA	769	698	704	778	1,473	1,476
Depreciation	(81)	(84)	(121)	(125)	(202)	(209)
Amortisation	(64)	(56)	(90)	(99)	(154)	(155)
Impairment of long-lived assets		–	(1)	–	(1)	–
Operating income	624	558	492	554	1,116	1,112
as % of sales	18.8%	17.1%	13.7%	14.4%	16.1%	15.6%
Financing costs					(120)	(100)
Other financial income (expense), net					(7)	(84)
Income before taxes					989	928
as % of sales					14.3%	13.0%

Entity-wide disclosures

The breakdown of sales from the major group of similar products is as follows:

in millions of Swiss francs	2023	2022
Fragrance & Beauty		
Compounds	2,814	2,767
Ingredients and Active Beauty	498	489
Taste & Wellbeing		
Compounds	3,603	3,861
Total sales	6,915	7,117

The Group operates in a number of geographical areas: Switzerland (country of domicile); Europe, Africa and Middle-East; North America; Latin America; and Asia Pacific.

	Fragrance & Beauty Segment sales [a]		Taste & Wellbeing Segment sales [a]		Group Segment sales [a]		Group Non-current assets [b]	
in millions of Swiss francs	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	52	49	32	29	84	78	1,795	1,624
Europe	1,078	1,014	929	930	2,007	1,944	1,954	2,123
Africa and Middle-East	342	312	284	293	626	605	73	72
North America	601	663	1,052	1,217	1,653	1,880	1,933	2,120
Latin America	401	397	446	441	847	838	297	261
Asia Pacific	838	821	860	951	1,698	1,772	697	792
Total geographical segments	3,312	3,256	3,603	3,861	6,915	7,117	6,749	6,992

a) Segment sales are revenues from external customers and are shown by destination.
b) Non-current assets other than financial instruments, deferred tax assets, post-employment benefit assets. They consist of property, plant and equipment, intangible assets and investments in jointly controlled entities.

8. Employee Benefits

The following amounts related to employee remuneration and benefits are included in determining operating income:

in millions of Swiss francs	2023	2022
Wages and salaries	1,145	1,129
Social security costs	174	141
Post-employment benefits: defined benefit plans	31	45
Post-employment benefits: defined contribution plans	37	40
Equity-settled instruments	29	18
Change in fair value on own equity instruments	–	(2)
Other employee benefits	112	118
Total employees' remuneration	1,528	1,489

The Group operates a number of defined benefit and defined contribution pension plans throughout the world, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking account of the recommendations of independent qualified actuaries. The most significant plans are held in Switzerland, the United States of America and United Kingdom (further information by country is disclosed at the end of this note).

Non-pension plans consist primarily of post-retirement healthcare and life insurance schemes, principally in the United States of America.

The amounts recognised in the consolidated income statement are as follows:

	2023			2022		
in millions of Swiss francs	Pension Plans	Non-pension Plans	Total	Pension Plans	Non-pension Plans	Total
Current service cost	30	1	31	45	1	46
Loss (gain) arising from settlement				(1)		(1)
Total included in employees' remuneration	**30**	**1**	**31**	**44**	**1**	**45**
Net interest cost included in financing costs	3	3	6	4	2	6
Total components of defined benefit cost	**33**	**4**	**37**	**48**	**3**	**51**
Of which arising from:						
Funded obligations	27	3	30	41	1	42
Unfunded obligations	6	1	7	7	2	9

The amounts recognised in other comprehensive income are as follows:

in millions of Swiss francs	2023 Pension Plans	2023 Non-pension Plans	2023 Total	2022 Pension Plans	2022 Non-pension Plans	2022 Total
(Gains) losses from change in demographic assumptions	(3)	(1)	(4)	(28)		(28)
(Gains) losses from change in financial assumptions	124	2	126	(535)	(14)	(549)
Experience (gains) losses	77	–	77	37	12	49
Return on plan assets less interest on plan assets	(159)	–	(159)	321		321
Effect of asset ceiling	(55)		(55)	54		54
Remeasurement (gains) losses of post-employment benefit obligations	**(16)**	**1**	**(15)**	**(151)**	**(2)**	**(153)**
Of which arising from:						
Funded obligations	(14)	1	(13)	(133)	(1)	(134)
Unfunded obligations	(2)	–	(2)	(18)	(1)	(19)

The amounts recognised in the statement of financial position are as follows:

in millions of Swiss francs	2023 Pension Plans	2023 Non-pension Plans	2023 Total	2022 Pension Plans	2022 Non-pension Plans	2022 Total
Funded obligations						
Present value of funded obligations	(1,732)	(48)	(1,780)	(1,570)	(51)	(1,621)
Fair value of plan assets	1,723	–	1,723	1,591		1,591
Effect of asset ceiling				(54)		(54)
Recognised asset (liability) for funded obligations, net	**(9)**	**(48)**	**(57)**	**(33)**	**(51)**	**(84)**
Unfunded obligations						
Present value of unfunded obligations	(60)	(8)	(68)	(67)	(9)	(76)
Recognised asset (liability) for unfunded obligations	**(60)**	**(8)**	**(68)**	**(67)**	**(9)**	**(76)**
Total defined benefit asset (liability)	**(69)**	**(56)**	**(125)**	**(100)**	**(60)**	**(160)**
Deficit recognised as liabilities for post-employment benefits	(106)	(56)	(162)	(122)	(60)	(182)
Surplus recognised as assets for post-employment benefits	37	–	37	22		22
Total net asset (liability) recognised	**(69)**	**(56)**	**(125)**	**(100)**	**(60)**	**(160)**

Amounts recognised in the statement of financial position for post-employment defined benefit plans are predominantly non-current. The non-current portion is reported as non-current assets and non-current liabilities. The current portion is reported as current liabilities within other current liabilities.

Changes in the present value of the defined benefit obligations are as follows:

	2023			2022		
in millions of Swiss francs	Pension Plans	Non-pension Plans	Total	Pension Plans	Non-pension Plans	Total
Balance as at 1 January	1,637	60	1,697	2,264	64	2,328
Amounts recognised in the income statement						
Current service cost	30	1	31	45	1	46
Interest cost	48	3	51	26	1	27
Amounts recognised in the other comprehensive income						
(Gains) losses from change in demographic assumptions	(3)	(1)	(4)	(28)		(28)
(Gains) losses from change in financial assumptions	124	2	126	(535)	(14)	(549)
Experience (gains) losses	77	–	77	37	12	49
Currency translation effects	(40)	(5)	(45)	(24)	–	(24)
Other						
Employee contributions	16	–	16	16		16
Benefit payments	(97)	(4)	(101)	(78)	(4)	(82)
Settlements				(86)		(86)
Balance as at 31 December	1,792	56	1,848	1,637	60	1,697

Changes in the fair value of the plan assets are as follows:

	2023			2022		
in millions of Swiss francs	Pension Plans	Non-pension Plans	Total	Pension Plans	Non-pension Plans	Total
Balance as at 1 January	1,591	–	1,591	2,021	–	2,021
Amounts recognised in the income statement						
Interest income	45	–	45	21		21
Amounts recognised in the other comprehensive income						
Return on plan assets less interest on plan assets	159	–	159	(321)		(321)
Currency translation effects	(33)	–	(33)	(25)	1	(24)
Other						
Employer contributions	42	4	46	39	5	44
Employee contributions	16	–	16	16		16
Benefit payments	(97)	(4)	(101)	(78)	(6)	(84)
Settlements				(82)		(82)
Balance as at 31 December	1,723	–	1,723	1,591	–	1,591

Plan assets are comprised as follows:

in millions of Swiss francs	2023		2022	
Debt	280	16%	309	19%
Equity	730	42%	501	31%
Property	376	22%	327	21%
Insurances policies and other	337	20%	454	29%
Total	1,723	100%	1,591	100%

The investment strategies are diversified within the respective statutory requirements of each country providing long-term returns with an acceptable level of risk. The plan assets are primarily quoted in an active market with exception of the property and insurance policies.

The plan assets do not include Givaudan registered shares. They do not include any property occupied by, or other assets used by the Group.

The Group operates defined benefit plans in many countries for which the actuarial assumptions vary based on local economic and social conditions. The assumptions used in the actuarial valuations of the most significant defined benefit plans, in countries with stable currencies and interest rates, are as follows:

Weighted percentage	2023	2022
Discount rates	2.5%	3.1%
Projected rates of salary increases	1.5%	1.4%
Future pension increases	0.4%	0.5%

The overall discount rate and the overall projected rates of remuneration growth are calculated by weighting the individual rates in accordance with the defined benefit obligation of the plans.

Sensitivity analysis

The defined benefit obligations are calculated on the basis of various financial and demographic assumptions. The below information quantifies the consequences of a change in some key assumptions.

The effects ((gain)/loss) of the change in assumptions are as follows:

in millions of Swiss francs	Change in assumption	Effects of the change	Increase in assumption	Decrease in assumption
		on the current service cost	(4)	5
Discount rate [a]	0.5%	on the defined benefit obligation	(119)	133
		on the current service cost	1	(1)
Salary increases	0.5%	on the defined benefit obligation	9	(9)
		on the current service cost	2	–
Pension increases	0.5%	on the defined benefit obligation	77	(12)
		on the current service cost	1	(1)
Life expectancy	1 year	on the defined benefit obligation	57	(58)

a) The pension plan fiduciaries or trustees, as each situation dictates, may use various strategies which employ financial instruments to mitigate the impact of changes in the discount rate assumptions on the actual pension plan liabilities through corresponding changes in the plan assets. As of year end 2023, and considering the illustrative impact of changes in discount rates on the defined benefit obligation shown above, the use of these strategies is estimated to result in offsetting changes in the value of the assets totaling CHF 39 million to CHF 44 million for a plus and minus 50 basis point change in interest rates respectively.

Information by country

Switzerland

According to the Swiss Federal Law on Occupational Retirement, Survivors and Disability (LPP/BVG), the pension plan is managed by an independent, legally autonomous entity which has the legal structure of a foundation.

The Foundation Board of Trustees is composed of equal numbers of employee and employer representatives. Each year the Foundation Board of Trustees decides the level of interest, if any, to apply to the retirement accounts in accordance with the pension policy. It is also responsible for the investment of the assets defining the investment strategy for long-term returns with an acceptable level of risk.

The majority of Swiss employees are participants to the plan and are insured against the financial consequences of old age, disability and death. The employer and employees pay contributions to the pension plan at rates set out in the foundation rules based on a percentage of salary. The amount of the retirement account can be taken by the employee at retirement in the form of pension or capital.

The pension plan is classified as defined benefit plan due to the promises and underlying benefits guarantees. Consequently, the pension obligation is calculated by using the projected unit credit method.

The Group expects to contribute CHF 27 million to these plans during 2024.

United States of America

The main US pension plan is qualified under and is managed in accordance with the requirements of US federal law. In accordance with federal law the assets of the plan are legally separate from the employer and are held in a pension trust. The plan was frozen in 2016 and consequently there is no further accrual of benefits.

Local law requires minimum and maximum amounts that can be contributed to the trust, together with limitations on the amount of benefits that may be provided under the plan. There are named fiduciaries that are responsible for ensuring the plan is managed in accordance with the law. The fiduciaries are responsible for the investment of the assets defining the investment strategy for long-term returns with an acceptable level of risk.

The accrued benefits are payable at retirement and on death in service. With exceptions for optional lump sum amounts for certain sections of the plan, the benefits are paid out as annuities. Under IAS 19 employee benefits, the pension obligations are calculated by using the projected unit credit method.

In 2022 a portion of the Givaudan US Pension Plan was transferred to a third party under a buy-out agreement. The Group expects to contribute CHF 9 million to these plans during 2024.

United Kingdom

The two occupational pension schemes (Quest UK Pension Scheme and Givaudan UK Pension Plan) are arranged under the applicable UK Pension Schemes and Pensions Acts and managed as legally autonomous pension trusts by the Boards of Trustees. The plans were frozen during 2016 and consequently there is no further accrual of benefits.

The Boards of Trustees are composed of two employee representatives and four employer representatives, for the Quest UK Pension Scheme, and three employee representatives, three employer representatives plus two pensioner representatives for the Givaudan UK Pension Plan. The Boards of Trustees are responsible for the investment of the assets defining the investment strategy for long-term returns with an acceptable level of risk.

The accrued benefits based on service to the plan freeze are payable at retirement and on death in service. With exceptions for trivial amounts, transfer values, lump sum death benefits and tax free lump sums, the benefits are paid out as annuities.

The pension obligations of both the Quest UK Pension Scheme and the Givaudan UK Pension Plan are calculated by using the projected unit credit method.

In 2024 it is expected that the Givaudan UK Pension Plan will be transferred to a third party under a buy-out agreement. The Group expects to contribute CHF 3 million to these plans in 2024.

Rest of the world

The Group operates other retirement plans classified either as defined benefit or defined contribution plans in some other countries. No individual plan other than those described above is considered material to the Group.

The Group expects to contribute CHF 4 million to these plans in 2024.

The funding position of the funded defined benefit plans are as follows:

As at 31 December 2023 in millions of Swiss francs	Switzerland	United States of America	United Kingdom	Other countries	Total
Present value of defined benefit obligation	1,252	231	196	53	1,732
Fair value of plan asset	1,262	213	220	28	1,723
Deficit / (surplus)	(10)	18	(24)	25	9
Funding ratio	100.8%	92.2%	112.2%	52.8%	99.5%

As at 31 December 2022 in millions of Swiss francs	Switzerland	United States of America	United Kingdom	Other countries	Total
Present value of defined benefit obligation	1,056	251	201	62	1,570
Fair value of plan asset	1,110	226	222	33	1,591
Effect of asset ceiling	54				54
Deficit / (surplus)		25	(21)	29	33
Funding ratio	100.0%	90.0%	110.4%	53.2%	97.9%

Key assumptions

2023 in percentage	Switzerland	United States of America	United Kingdom
Discount rate	1.35	4.87	4.50
Future salary increases	2.00	n/a	n/a
Future pension increases	0.00	0.00	2.82
Future average life expectancy for a pensioner retiring at age 65 (in years)	22.9	22.1	22.8

2022 in percentage	Switzerland	United States of America	United Kingdom
Discount rate	2.05	5.03	4.80
Future salary increases	2.00	n/a	n/a
Future pension increases	0.00	4.50	2.92
Future average life expectancy for a pensioner retiring at age 65 (in years)	22.8	22.1	23.0

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics. Mortality assumptions for the most material countries at year-end 2023 are based on the following tables:
– Switzerland: BVG2020
– United States of America: Pri-2012
– United Kingdom: S3P, S3N

Allowance for future improvements in mortality have been allowed for as appropriate in each country. In Switzerland the generational rates have been used adopting the CMI (2019) approach and a 1.50% long term rate of improvement. In the United States of America the published rates have been adjusted and projected in accordance with the MP2021 scale. In the United Kingdom the rates reflect the latest (2022) CMI projections with a 1.25% long term rate of improvement.

9. Share-Based Payments

Performance share plan

Performance shares are granted on a yearly basis. The performance shares are converted into tradable and transferable shares of Givaudan SA after the vesting period, subject to performance conditions. The performance conditions are:
– Creations: Relative sales growth compared to selected peer companies and the free cash flow margin
– Nature: net greenhouse gas (GHG) emissions reduction
– People: senior leader diversity and employee safety

There is no market vesting condition involved and participation in this plan is mandatory.

Year of grant	Commencing date	Vesting date	Number of shares expected to be delivered at vesting date	Fair value at grant date (CHF)
2021	31 Mar 2021	15 Apr 2024	8,199	3,435
2022	31 Mar 2022	15 Apr 2025	4,557	3,618
2023	31 Mar 2023	15 Apr 2026	11,874	2,768

The cost of the equity-settled instruments of CHF 27 million (2022: CHF 16 million) has been expensed in the consolidated income statement. A marginal portion of the number of shares expected to be delivered can be settled in cash in the jurisdictions where a physical delivery is not permitted.

Equity-settled instruments related to restricted shares

Restricted shares shown in the table below have been granted on a yearly basis. These shares are tradable and transferable after the vesting period. Participation in these plans is mandatory.

Restricted shares outstanding at the end of the year have the following terms:

Year of grant	Commencing date	Blocking period of restricted shares ends on	Restricted share at grant date (CHF)	Number of restricted shares 2023	Number of restricted shares 2022
2020	31 Mar 2020	15 Apr 2023	2,795		602
2021	31 Mar 2021	15 Apr 2024	3,435	463	463
2022	31 Mar 2022	15 Apr 2025	3,618	480	480
2023	31 Mar 2023	15 Apr 2026	2,768	522	

Of the 1,465 outstanding restricted shares (2022: 1,545), no share (2022: none) was deliverable. The cost of these equity-settled instruments of CHF 2 million (2022: CHF 2 million) has been expensed in the consolidated income statement.

Movements in the number of restricted shares outstanding are as follows:

Number of restricted shares	2023	2022
As at 1 January	1,545	1,695
Granted	522	480
Delivered/sold	(602)	(630)
As at 31 December	1,465	1,545

For these plans, the Group has at its disposal treasury shares.

10. Investments in Joint Ventures

Year of incorporation	Name of Joint Ventures	Principal activity	Country of incorporation	Ownership interest
2014	BGN Tech LLC (in liquidation)	Innovative natural ingredients	USA	49%
2015	Natural Extracts International Ltd	Natural ingredient derivatives production	Mauritius	49%
2016	Vanilla International Ltd	Natural ingredient collection and extract	Mauritius	49%
2021	Prigiv Specialties Private Limited	Highly specialized aroma chemicals	India	49%
2022	The Cultured Hub AG	Cellular agriculture products	Switzerland	33%

Summarised financial information in respect of the Group's joint ventures is set out below. The following net assets represent 100% of the jointly controlled entities:

As at 31 December in millions of Swiss francs	2023	2022
Current assets	32	66
Non-current assets	18	27
Current liabilities	(6)	(26)
Non-current liabilities	(2)	(3)
Total net assets of joint ventures	42	64

As at 31 December in millions of Swiss francs	2023	2022
Income	16	7
Expenses	(14)	(7)

11. Other Operating Income

in millions of Swiss francs	2023	2022
Gains on disposal of fixed assets	1	7
Other income	29	40
Total other operating income	30	47

12. Other Operating Expense

in millions of Swiss francs	2023	2022
Project related expenses	71	4
Amortisation of intangible assets	22	18
Impairment of long-lived assets	1	–
Losses on disposal of fixed assets	6	4
Environmental provisions	1	–
Business taxes	19	20
Acquisition and integration related expenses	3	5
Other expenses	24	28
Total other operating expense	147	79

The project related expenses mainly include restructuring costs related to the Group's Performance Improvement programme, announced in January 2023, as well as costs related to footprint optimisation and the Competition Authority investigation into the Fragrance industry.

13. Expenses by Nature

in millions of Swiss francs	Note	2023	2022
Raw materials and consumables used		2,903	3,138
Total employee remuneration	8	1,528	1,489
Depreciation, amortisation and impairment charges	21, 22	357	364
Transportation expenses		30	21
Freight expenses		166	211
Consulting and service expenses		152	127
Energy		97	118
IT related costs		71	76
Other expenses		495	461
Total operating expenses by nature		5,799	6,005

14. Financing Costs

in millions of Swiss francs	Note	2023	2022
Interest expense		112	93
Net interest related to defined benefit pension plans	8	6	5
Amortisation of debt discounts		2	2
Total financing costs		120	100

15. Other Financial (Income) Expense, Net

in millions of Swiss francs	2023	2022
Fair value and realised (gains) losses from derivatives instruments, net (at fair value through income statement)	83	163
Exchange (gains) losses, net	(96)	(96)
Unrealised (gains) losses from financial instruments measured at fair value through income statement	1	21
Interest (income)	(8)	(11)
Capital taxes and other non-business taxes	12	8
Other (income) expense, net	15	(1)
Total other financial (income) expense, net	7	84

16. Income Taxes

Amounts debited to (credited in) the consolidated statement of comprehensive income are as follows:

	2023				2022			
in millions of Swiss francs	Income statement	Other comprehensive income	Own equity instruments	Total	Income statement	Other comprehensive income	Own equity instruments	Total
Current taxes								
- in respect of current year	151	2		153	59	–		59
- in respect of prior years	7			7	(2)			(2)
Deferred taxes								
- in respect of current year	(60)	19	–	(41)	24	36	–	60
- reclassified from equity to income statement								
- in respect of prior years	(2)			(2)	(9)			(9)
Total income tax expense	96	21	–	117	72	36	–	108

Since the Group operates globally, it is subject to income taxes in many different tax jurisdictions. As such, in determining the provision for income taxes, judgment is required as there are transactions for which the ultimate tax determination is uncertain at the time of preparing the financial statements. As a result, any differences between the final tax outcome and the amounts that were initially recorded impact the current and deferred taxes in the period in which such final determinations are made.

The Group is subject to the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Switzerland, the jurisdiction in which Givaudan SA is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the group has no related current tax expense for the year ended 31 December 2023. Under the legislation, the Group may be liable to pay a top-up tax for the difference between the Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. The majority of the entities within the group have a current effective tax rate that exceeds 15%. The quantitative impact of the enacted or substantively enacted legislation is expected to be immaterial on the Group.

The Group calculates on the basis of the income statement its average applicable tax rate as a weighted average of the tax rates in the tax jurisdictions in which the Group operates, including research tax credits and withholding tax on dividends, interest and royalties.

The Group's average applicable tax rate differs from the Group's effective tax rate as follows:

	2023	2022
Group's average applicable tax rate	19%	16%
Tax effect of		
Income not taxable	(5%)	(5%)
Expenses not deductible	3%	5%
Change in tax rate	(2%)	(1%)
Internal Restructuring Effects		(7%)
Deferred tax effects from intangible step-up	(7%)	
Other adjustments of income taxes of prior years	1%	(1%)
Other differences	1%	1%
Group's effective tax rate	10%	8%

The variation in the Group's average applicable tax rate arises due to changes in the composition of the Group's profitability within the Group's subsidiaries, in accordance with the Group's business profile in terms of geographical presence, product mix and customer portfolio, as well as external factors related to changes in local statutory tax rates.

Income tax assets and liabilities

Amounts recognised in the statement of financial position related to income taxes are as follows:

As at 31 December in millions of Swiss francs	2023	2022
Current income tax assets	60	71
Current income tax liabilities	(136)	(123)
Total net current income tax asset (liability)	(76)	(52)

2023 in millions of Swiss francs	Property, plant & equipment	Intangible assets	Pension plans	Tax loss carry forward	Other differences	Total
Net deferred tax asset (liability) as at 1 January	(103)	(205)	36	69	45	(158)
Acquisition						
Credited (debited) to consolidated income statement	(11)	77	(2)	(29)	27	62
Credited (debited) to other comprehensive income			(3)		(16)	(19)
Transfers	(1)	(37)	–		38	
Currency translation effects	8	13	(3)	(11)	(6)	1
Net deferred tax asset (liability) as at 31 December	(107)	(152)	28	29	88	(114)
Deferred tax assets						118
Deferred tax liabilities						(232)
Net deferred tax asset (liability) as at 31 December						(114)

2022 in millions of Swiss francs	Property, plant & equipment	Intangible assets	Pension plans	Tax loss carry forward	Other differences	Total
Net deferred tax asset (liability) as at 1 January	(105)	(218)	60	31	129	(103)
Acquisition						
Credited (debited) to consolidated income statement	2	8	(1)	41	(65)	(15)
Credited (debited) to other comprehensive income			(23)		(13)	(36)
Currency translation effects		5		(3)	(6)	(4)
Net deferred tax asset (liability) as at 31 December	(103)	(205)	36	69	45	(158)
Deferred tax assets						112
Deferred tax liabilities						(270)
Net deferred tax asset (liability) as at 31 December						(158)

Amounts recognised in the statement of financial position for deferred taxes are reported as non-current assets and non-current liabilities.

Deferred tax assets on loss carry forwards of CHF 29 million (2022: CHF 69 million) have been recognised principally in the subsidiaries in Argentina, China, France and Switzerland, the majority of which expires after 2024. The management considers that there will be future taxable profit available against which these tax losses can be recovered. Deferred tax assets on unused tax losses of CHF 20 million (2022: CHF 19 million) which have not been recognised are mainly located in subsidiaries in Spain.

Deferred tax assets on tax credits of CHF 34 million (2022: CHF 23 million) have been recognised.

A deferred tax liability of CHF 36 million has been recognised in 2023 (2022: CHF 37 million) for certain foreign subsidiaries which have undistributed earnings subject to withholding tax when paid out as dividend as the parent entity is in a position to forecast the timing of distributions expected in the foreseeable future, whereas no deferred tax liability could be recognised for undistributed earnings of CHF 1,070 million (2022: CHF 764 million).

17. Earnings per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the income for the period attributable to shareholders by the weighted average number of shares outstanding:

	2023	2022
Income attributable to equity holder of the parent (in millions of Swiss francs)	893	856
Weighted average number of shares outstanding		
Ordinary shares	9,233,586	9,233,586
Treasury shares	(9,143)	(11,970)
Net weighted average number of shares outstanding	9,224,443	9,221,616
Basic earnings per share (CHF)	96.81	92.83

Diluted earnings per share

For the calculation of diluted earnings per share, the weighted average number of shares outstanding is adjusted to assume conversion of all potentially dilutive shares:

	2023	2022
Income attributable to equity holder of the parent (in millions of Swiss francs)	893	856
Weighted average number of shares outstanding for diluted earnings per share of 31,862 (2022: 31,532)	9,256,305	9,253,148
Diluted earnings per share (CHF)	96.47	92.51

18. Cash and Cash Equivalents

in millions of Swiss francs	2023	2022
Cash on hand and balances with banks	324	245
Short-term investments	276	230
Balance as at 31 December	600	475

19. Accounts Receivable – Trade

in millions of Swiss francs	2023	2022
Accounts receivable	1,475	1,536
Less: allowance for doubtful accounts	(23)	(24)
Balance as at 31 December	1,452	1,512

Ageing list:

in millions of Swiss francs	2023	2022
Neither past due nor impaired	1,339	1,390
Less than 30 days	84	92
30–60 days	21	22
60–90 days	6	9
Above 90 days	25	23
Less: allowance for doubtful accounts	(23)	(24)
Balance as at 31 December	1,452	1,512

Movement in the allowance for doubtful accounts:

in millions of Swiss francs	2023	2022
Balance as at 1 January	(24)	(20)
Increase in allowance for doubtful accounts recognised in consolidated income statement	(6)	(8)
Amounts written off as uncollectible	1	1
Reversal of allowance for doubtful accounts	4	3
Currency translation effects	2	–
Balance as at 31 December	(23)	(24)

Past due and impaired receivables are still considered recoverable. The carrying amount of accounts receivable – trade is considered to correspond to the fair value.

20. Inventories

in millions of Swiss francs	2023	2022
Raw materials and supplies	490	597
Work in process	25	28
Intermediate and finished goods	845	883
Less: allowance for slow moving and obsolete inventories	(85)	(85)
Balance as at 31 December	1,275	1,423

In 2023 the amount of write-down of inventories was CHF 72 million (2022: CHF 65 million). At 31 December 2023 and 2022 no significant inventory was valued at net realisable value.

21. Property, Plant and Equipment

	Acquired Property, Plant & Equipment					Right-of-Use Assets			
2023 in millions of Swiss francs	Land	Buildings and land improvements	Machinery, equipment and vehicles	Construction in progress	Total Acquired PP&E	Buildings, land and improvements	Machinery, equipment and vehicles	Total Right-of-Use Assets	Total Property, Plant & Equipment
Net book value									
Balance as at 1 January	128	925	652	193	1,898	377	18	395	2,293
Additions		1	6	219	226	67	16	83	309
Disposals	(1)	(2)	(4)		(7)	(7)	(1)	(8)	(15)
Transfers	–	54	127	(187)	(6)	–	–		(6)
Impairment			(1)		(1)				(1)
Depreciation		(48)	(102)		(150)	(42)	(10)	(52)	(202)
Currency translation effects	(7)	(62)	(33)	(11)	(113)	(21)	(2)	(23)	(136)
Balance as at 31 December	120	868	645	214	1,847	374	21	395	2,242
Cost	121	1,541	2,083	214	3,959	511	49	560	4,519
Accumulated depreciation		(662)	(1,430)		(2,092)	(137)	(28)	(165)	(2,257)
Accumulated impairment	(1)	(11)	(8)		(20)				(20)
Balance as at 31 December	120	868	645	214	1,847	374	21	395	2,242

	Acquired Property, Plant & Equipment					Right-of-Use Assets			
2022 in millions of Swiss francs	Land	Buildings and land improvements	Machinery, equipment and vehicles	Construction in progress	Total Acquired PP&E	Buildings, land and improvements	Machinery, equipment and vehicles	Total Right-of-Use Assets	Total Property, Plant & Equipment
Net book value									
Balance as at 1 January	132	957	637	169	1,895	387	19	406	2,301
Additions	1	5	4	204	214	40	10	50	264
Disposals	(1)	(5)	(3)		(9)	(2)	–	(2)	(11)
Transfers	–	43	135	(178)					
Impairment		(1)	–		(1)				(1)
Depreciation		(51)	(105)		(156)	(43)	(10)	(53)	(209)
Reclassified as assets held for sale		(2)	(1)		(3)				(3)
Currency translation effects	(4)	(21)	(15)	(2)	(42)	(5)	(1)	(6)	(48)
Balance as at 31 December	128	925	652	193	1,898	377	18	395	2,293
Cost	129	1,586	2,078	193	3,986	496	45	541	4,527
Accumulated depreciation		(649)	(1,419)		(2,068)	(119)	(27)	(146)	(2,214)
Accumulated impairment	(1)	(12)	(7)		(20)				(20)
Balance as at 31 December	128	925	652	193	1,898	377	18	395	2,293

The expense related to the low-value and short-term leases amounts to CHF 3 million (2022: CHF 2 million) and CHF 4 million (2022: CHF 3 million) respectively.

The Group leases various offices, warehouses, machinery and equipment. Rental contracts are typically made for fixed periods of 1 to 30 years, but may have extension and termination options, used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. During the current financial year, no significant financial effect was triggered by revision of lease terms (2022: nil).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

At 31 December 2023 and 2022 no significant capitalised borrowing costs were accounted for.

22. Intangible Assets

2023 in millions of Swiss francs	Goodwill	Process-oriented technology and other	Client relation-ships	Supplier relation-ships	Name and product brands	Software/ ERP system	Total
Net book value							
Balance as at 1 January	3,423	241	709		47	226	4,646
Additions		4				57	61
Acquisitions		77	106				183
Disposals		–					–
Impairment			–				–
Amortisation		(42)	(54)		(4)	(54)	(154)
Transfers						6	6
Currency translation effects	(220)	(6)	(55)		(2)	–	(283)
Balance as at 31 December	3,203	274	706		41	235	4,459
Cost	3,203	1,224	1,251	44	80	1,015	6,817
Accumulated amortisation		(946)	(541)	(44)	(39)	(779)	(2,349)
Accumulated impairment		(4)	(4)			(1)	(9)
Balance as at 31 December	3,203	274	706		41	235	4,459

2022 in millions of Swiss francs	Goodwill	Process-oriented technology and other	Client relation-ships	Supplier relation-ships	Name and product brands	Software/ ERP system	Total
Net book value							
Balance as at 1 January	3,527	296	780	–	53	201	4,857
Additions		4				68	72
Acquisitions							
Disposals		(2)					(2)
Impairment		2					2
Amortisation		(51)	(57)	–	(4)	(43)	(155)
Reclassified as assets held for sale		(1)					(1)
Currency translation effects	(104)	(7)	(14)	–	(2)	–	(127)
Balance as at 31 December	3,423	241	709		47	226	4,646
Cost	3,423	1,165	1,217	44	85	952	6,886
Accumulated amortisation		(920)	(504)	(44)	(38)	(725)	(2,231)
Accumulated impairment		(4)	(4)			(1)	(9)
Balance as at 31 December	3,423	241	709		47	226	4,646

Classification of amortisation expenses is as follows:

	2023			2022		
in millions of Swiss francs	Fragrance & Beauty	Taste & Wellbeing	Total	Fragrance & Beauty	Taste & Wellbeing	Total
Cost of sales	12	15	27	11	17	28
Selling, marketing and distribution expenses	28	37	65	22	31	53
Research and product development expenses	13	20	33	13	32	45
Administration expenses	2	4	6	2	9	11
Other operating expenses	9	14	23	8	10	18
Total	64	90	154	56	99	155

Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs), which are defined as the Taste & Wellbeing Division and the Fragrance & Beauty Division, which itself includes two lower levels of cash-generating units related to Expressions Parfumées and Fragrance Oils. Goodwill allocated to these CGUs was CHF 2,191 million (2022: CHF 2,350 million) to the Taste & Wellbeing Division, CHF 803 million (2022: CHF 853 million) to the Fragrance & Beauty Division, CHF 116 million (2022: CHF 123 million) to Expressions Parfumées, and CHF 93 million (2022: CHF 97 million) to Fragrance Oils.

The recoverable amount of each CGU has been determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial business plans and budgets approved by management covering a five year period, as well as a terminal value. The basis of the key assumptions is market growth adjusted for estimated market share gains. The terminal value assumes the long-term inflation rate for growth beyond the five year period. The discount rate used to discount the estimated future cash flows has a number of components which are derived from capital market information where the cost of equity corresponds to the return expected by the shareholders by benchmarking with comparable companies in the fragrance & beauty and taste & wellbeing industry, and where the cost of debt is based on the conditions on which companies with similar credit rating can obtain financing.

A discount rate of 10.9% (2022: 10.9%) was applied to cash flow projections of the Fragrance & Beauty Division, 10.9% (2022: 10.7%) was applied to cash flow projections of the Taste & Wellbeing Division, 11.9% (2022: 12.0%) was applied to cash flow projections of Expressions Parfumées and 13.8% (2022: 15.1%) was applied to cash flow projections of Fragrance Oils. These discount rates are pre-tax.

No impairment loss in any of the CGUs resulted from the impairment tests for goodwill. The Group has conducted an analysis of the sensitivity of the impairment test to changes in the cash flows and in the discount rate in the periods presented. Management believes that any reasonable change in the assumptions would not cause the carrying amount to exceed the recoverable amount of each CGU.

Process-oriented technology and other

This consists mainly of process-oriented technology, formulas, molecules, delivery systems as well as process knowledge and research expertise in innovative cosmetic solutions, acquired when the Group purchased Food Ingredients Specialties (FIS), International Bioflavors (IBF), Quest International, Soliance, Induchem, Spicetec, Activ International, Vika, Centroflora Nutra, Expressions Parfumées, Naturex, Albert Vieille, AMSilk, Golden Frog, drom, Fragrance Oils, Ungerer, Indena, Alderys, Myrissi, Custom Essence, DDW and Amyris.

Client relationships

As part of the acquisition of Quest International, Induchem, Spicetec, Activ International, Vika, Centroflora Nutra, Expressions Parfumées, Naturex, Albert Vieille, Golden Frog, drom, Fragrance Oils, Ungerer, Indena, Custom Essence, DDW and Amyris, the Group acquired client relationships in the Taste & Wellbeing and Fragrance & Beauty Divisions, mainly consisting of client relationships with key customers.

Supplier relationships

As part of the acquisition of Naturex and Albert Vieille, the Group acquired supplier relationships in the Taste & Wellbeing and Fragrance & Beauty Divisions, mainly consisting of relationships with key suppliers.

Name and product brands

In connection with the acquisition of Induchem, Spicetec, Activ International, Vika, Centroflora Nutra, Expressions Parfumées, Naturex, Albert Vieille, Golden Frog, drom, Fragrance Oils, Ungerer, Indena, Custom Essence and DDW the Group acquired name and product brands in active beauty and in natural flavour businesses.

Software/ERP system

This consists of internally generated intangible assets associated with the development of identifiable software products and ERP systems.

The residual useful lives of the acquired intangible assets carried at cost, being their fair value at acquisition date, are determined in accordance with the principles set out in Note 2.17. Remaining useful lives of major classes of amortisable intangible assets are as follows:

- Process-oriented technology and other 12.2 years
- Client relationships 14.2 years
- Name and product brands 12.2 years
- Software 2.9 years

23. Debt

2023 in millions of Swiss francs	Bank borrow-ings	Bank facility	Bank overdrafts	Public bonds	Private place-ments	Total short-term and long-term debt	Total lease liabilities	Total debt
Balance as at 1 January	258	391		3,564	391	4,604	401	5,005
Cash flows	(115)	(382)	–	734	(135)	102	(56)	46
Non-cash changes								
Amortisation of debt discount				2		2	9	11
Currency effects	(24)	(9)		(157)	(20)	(210)	(26)	(236)
Lease liabilities							79	79
Balance as at 31 December	119		–	4,143	236	4,498	407	4,905
Within 1 year	61		–	150	186	397	45	442
Within 1 to 3 years	37			814	50	901	68	969
Within 3 to 5 years	21			763		784	57	841
Thereafter				2,416		2,416	237	2,653
Balance as at 31 December	119		–	4,143	236	4,498	407	4,905

2022 in millions of Swiss francs	Bank borrow-ings	Bank facility	Bank overdrafts	Public bonds	Private place-ments	Total short-term and long-term debt	Total lease liabilities	Total debt
Balance as at 1 January	285		1	3,474	503	4,263	410	4,673
Cash flows	(21)	409	(1)	200	(99)	488	(57)	431
Non-cash changes								
Amortisation of debt discount				2		2	6	8
Currency effects	(6)	(18)		(112)	(13)	(149)	(7)	(156)
Lease liabilities							49	49
Balance as at 31 December	258	391		3,564	391	4,604	401	5,005
Within 1 year	168				139	307	49	356
Within 1 to 3 years	45			842	252	1,139	65	1,204
Within 3 to 5 years	38	391		792		1,221	52	1,273
Thereafter	7			1,930		1,937	235	2,172
Balance as at 31 December	258	391		3,564	391	4,604	401	5,005

Details of the Group's various debt transactions are as follows:

Issuer	Issue date	Type of debt	Currency of principal	Principal amount in millions	Redeemable	Interest rate	Type of interest	2023 in millions of Swiss francs	2022 in millions of Swiss francs
Givaudan United States, Inc.	2012	Private placements [a]	USD	150	06 Feb 2023	3.300%	Fixed	Reimbursed	139
				60	06 Feb 2025	3.450%		50	55
Givaudan SA	2014	Public bonds	CHF	150	19 Mar 2024	1.750%		150	150
	2016			200	05 Dec 2031	0.625%		200	200
	2017	Private placement	EUR	200	20 Dec 2024	1.331%	Fixed	186	197
	2018	Public bonds	CHF	200	09 Apr 2025	0.375%		200	200
			EUR	500	17 Sep 2025	1.125%		464	492
				800	17 Sep 2030	2.000%		741	788
	2020		CHF	150	10 Nov 2028	0.150%		150	150
	2021			150	07 Jun 2027	0.125%		150	150
				150	07 Jun 2030	0.375%		150	150
	2022			150	15 Jun 2026	1.125%		150	150
				150	15 Jun 2029	1.625%		150	150
	2023			250	23 May 2031	2.375%		250	
	2022	Revolving Credit Facility	USD	420	15 Jun 2028			Reimbursed	391
Givaudan Finance Europe BV	2020	Public bonds	EUR	500	22 Apr 2027	1.000%	Fixed	463	492
				500	22 Apr 2032	1.625%		462	492
	2023			500	28 Nov 2033	4.125%		463	
	2022	Other local borrowings	EUR	150	Various maturities	1.577%		37	148
	2023			40	26 Apr 2024	4.200%			
Other entities	2022	Other local borrowings	EUR	2	Various maturities	1.180%	Fixed	1	2
	2023			1					
	2022		CNY	752			Floating	79	101
	2023			663					
	2022		INR	670				1	7
	2023			160					
	2023		USD	1		8.380%	Fixed	1	
Total short-term and long-term debt as at 31 December [b]								4,498	4,604

a) There are various covenants contained in these transactions covering conditions on net worth, indebtedness and EBITDA ratio to net interest expense of Givaudan United States, Inc. The company is and has been in full compliance with the covenants set.
b) The fair value of the short-term and long-term debt is approximately 2% lower than its carrying value as at 31 December 2023 (2022: 7%).

The weighted average effective interest rates at the statement of financial position date were as follows:

	2023	2022
Private placements (USD)	3.5%	3.3%
Private placements (EUR)	1.3%	1.3%
Straight bond (EUR)	2.0%	1.5%
Straight bond (CHF)	1.0%	0.8%
Bank facility	4.3%	4.2%
Weighted average effective interest rate on gross debt	1.7%	1.7%

24. Changes in Liabilities Arising from Financing Activities

		Cash impact	Non-cash changes			
2023 in millions of Swiss francs	Balance as at 1 January	Cash flows Inflow (Outflow)	Amortisation of debt discount/ premium and interest expense	Fair values changes and Others	Currency effects	Balance as at 31 December
Total short-term and long-term debt	4,604	102	2		(210)	4,498
Interest on liabilities	22	(97)		96	–	21
Derivative financial instruments	18	6		(2)		22
Lease liabilities	401	(56)	9	79	(26)	407
Others, net	12	(8)		7	(1)	10
Total liabilities from financing activities	5,057	(53)	11	180	(237)	4,958

		Cash impact	Non-cash changes			
2022 in millions of Swiss francs	Balance as at 1 January	Cash flows Inflow (Outflow)	Amortisation of debt discount/ premium and interest expense	Fair values changes and Others	Currency effects	Balance as at 31 December
Total short-term and long-term debt	4,263	488	2		(149)	4,604
Interest on liabilities	22	(72)		72	–	22
Derivative financial instruments	61	5		(48)	–	18
Lease liabilities	410	(57)	6	49	(7)	401
Others, net	21	(7)		(2)	–	12
Total liabilities from financing activities	4,777	357	8	71	(156)	5,057

25. Provisions

2023 in millions of Swiss francs	Restructuring	Claims and litigation	Environmental	Others	Total
Balance as at 1 January	18	11	17	38	84
Additional provisions	30	9	1	7	47
Unused amounts reversed	(6)	(3)	(1)	–	(10)
Utilised during the year	(19)	(2)	–	(4)	(25)
Currency translation effects	(1)	(4)	(1)	(5)	(11)
Balance as at 31 December	22	11	16	36	85
Current liabilities	17	3	1	1	22
Non-current liabilities	5	8	15	35	63
Balance as at 31 December	22	11	16	36	85

2022 in millions of Swiss francs	Restructuring	Claims and litigation	Environmental	Others	Total
Balance as at 1 January	24	14	20	38	96
Additional provisions	4	4	2	6	16
Unused amounts reversed	(3)	(2)	(1)	(2)	(8)
Utilised during the year	(6)	(4)	(4)	(3)	(17)
Currency translation effects	(1)	(1)	–	(1)	(3)
Balance as at 31 December	18	11	17	38	84
Current liabilities	5	2	–	2	9
Non-current liabilities	13	9	17	36	75
Balance as at 31 December	18	11	17	38	84

Significant judgment is required in determining the various provisions. A range of possible outcomes is determined to make reliable estimates of the obligation that is sufficient for the recognition of a provision. Differences between the final obligations and the amounts that were initially recognised impact the income statement in the period in which such determination is made.

Restructuring provisions

Restructuring provisions arise from reorganisations of the Group's operations and management structure primarily related to integration of acquired businesses and from reorganisations in both divisions.

Claims and litigation

These provisions are made in respect of legal claims brought against the Group and potential litigations. Related estimated legal fees are also included in these provisions.

Environmental

Givaudan's affiliate, Givaudan Fragrances Corporation ("GFRC"), is one of approximately 100 companies identified by the US Environmental Protection Agency ("EPA") as "Potentially Responsible Parties" ("PRP") for alleged contamination of the Lower Passaic River ("River"). The alleged contamination in the River has been studied extensively, both by the EPA and by the Cooperating Parties Group ("CPG"), which GFRC was a member of. As a result of this work, the EPA issued a Record of Decision ("ROD") for the lower 8 miles of the River in 2016, and another ROD was issued for the upper 9 miles of the River in 2021. The EPA-estimated remediation costs for the lower and upper parts of the River are USD 1.4 billion and USD 441 million, respectively.

In the fourth quarter of 2022, GFRC and 84 other parties ("Settling Parties") reached a settlement with the EPA relating to the Settling Parties' remediation obligations concerning the River ("Consent Decree"). The EPA lodged the Consent Decree in Federal court on 16 December 2022. The Consent Decree is subject to a court approval process including a public comment period and may be challenged by interested third-parties. Therefore, it is uncertain as to when this process will be concluded. Upon the court's approval of the Consent Decree, the Settling Parties will fund USD 150 million that will be used to meet their collective remediation obligations in the River.

In June 2018, Occidental Chemical Corporation ("OCC") filed a complaint against more than one hundred parties, including GFRC, asserting claims under CERCLA related to certain portions of the River. In February 2021, GFRC and a number of other defendants filed third-party claims against approximately 40 parties for contribution and costs related to the prior study work and removal conducted by the CPG in the River. Fact discovery and depositions are still ongoing, however, after the lodging of the Consent Decree, the defendants filed a motion to stay the litigation for six-months, in consideration of the Consent Decree process. The motion to stay is pending with the court as of December 2023.

At this time, there are many uncertainties associated with the court approval of the Consent Decree, and how this may impact the Occidental litigation or other potential obligations related to the River. Therefore, in accordance with accounting guidance, the Group has recorded a reserve which it believes can reasonably be expected to cover GFRC's obligation, if any, given the information currently available.

Other provisions

These consist largely of provisions related to long-term deferred compensation plan and to restoring expenses related to leased facilities.

26. Own Equity Instruments

Details of own equity instruments are as follows:

As at 31 December 2023	Settlement	Category	Maturity	Strike price (CHF)	in equivalent shares	Value in millions of Swiss francs
Registered shares		Equity			6,337	17
Purchased calls	Gross shares	Equity	2024–2025	3,393.0 – 4,130.0	25,500	3
Written puts	Gross shares	Financial liability	2024–2025	3,388.0 – 4,125.0	25,500	92

As at 31 December 2022	Settlement	Category	Maturity	Strike price (CHF)	in equivalent shares	Value in millions of Swiss francs
Registered shares		Equity			6,772	19
Purchased calls	Gross shares	Equity	2023–2024	1,907.0 – 4,259.2	34,500	19
Written puts	Gross shares	Financial liability	2023–2024	1,902.0 – 4,093.1	34,500	122

During the year the movements in own equity instruments are as follows:

		Price in Swiss francs			
2023	Number	High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	6,772				228
Purchases at cost	11,000	4,070.5	2,693.7	1,907.0	30
Sales and transfers	(11,435)	2,861.6	2,757.7	2,757.6	(32)
Movement on registered shares, net					(2)
Movement on derivatives on own shares, net					(27)
Income taxes					–
Balance as 31 December	6,337				199

		Price in Swiss francs			
2022	Number	High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	12,656				211
Purchases at cost	17,000	3,639.7	2,976.0	1,680.0	51
Sales and transfers	(22,884)	2,861.6	2,861.6	2,861.6	(66)
Movement on registered shares, net					(15)
Movement on derivatives on own shares, net					32
Income taxes					–
Balance as 31 December	6,772				228

The total own equity instruments include the treasury shares held by the Group, the share based payment reserve as well as amounts related to derivatives on own shares, convertible bonds and other.

27. Equity

Share capital

As at 31 December 2023 the share capital amounts to CHF 92,335,860, divided into 9,233,586 fully paid-up registered shares, with a nominal value of CHF 10.00 each. Every share gives the right to one vote.

At the Annual General Meeting of Shareholders on 23 March 2023, a new capital band was introduced in the Articles of Association. As per article 3a of the Company's Article of Association, the Board of directors of the Company is authorised to increase (but not reduce) the share capital of the Company within a capital band ranging from CHF 92,335,860 (lower limit) to CHF 101,569,450 (upper limit), once or several times and in any amounts, by issuing up to 923,359 fully paid-in registered shares with a par value of CHF 10.00 each. The capital band therefore amounts to a maximum of 10% of the existing share capital of the Company.

The authorisation granted to the Board of directors of the Company is valid until 23 March 2028, absent any earlier expiry of the capital range.

The advance subscription rights of shareholders may be excluded by the Board of directors of the Company in order to finance acquisitions of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or other assets, to broaden the shareholder constituency of the Company in certain financial or investor markets, to allow the participation of strategic partners, including financial investors, or in connection with the listing of shares on domestic or foreign exchanges.

At the Annual General Meeting of Shareholders on 23 March 2023, the existing conditional share capital of the Company provided in article 3b of the Articles of Association was repealed and replaced by a conditional capital based on the capital range. Pursuant to the amended article 3b of the Company's Articles of Association, the Company's share capital can be increased based on the capital range by issuing up to 923,359 fully paid-in shares (CHF 9,233,590) through the voluntary or mandatory exercise of exchange, option or conversion rights granted, among others, in connection with the issuance by the Company or another Group company of bonds, options, warrants or other financial instruments (the Financial Instruments).

The advance subscription rights of the shareholders are excluded for the issuance of shares based on Financial Instruments. The Board of Directors is authorised to exclude the shareholders' advance subscription right to subscribe to Financial Instruments for an important reason such as provided under the capital band, or if the Financial Instruments are issued on adequate terms. In that case, Financial Instruments must be offered to the public taking into account the shares' market price and during a limited period of time.

The acquisition of shares through the exercise of option or conversion rights and the transfer of such shares are subject to restrictions as described in article 5 of the Articles of Association.

At the Annual General Meeting of Shareholders held on 23 March 2023 the distribution of an ordinary dividend of CHF 67.00 per share (2022: CHF 66.00 per share) was approved. The dividend payment has been paid out of available retained earnings.

28. Commitments

The Group has capital commitments for the purchase or construction of property, plant and equipment totalling CHF 8 million (2022: CHF 12 million).

29. Contingent Liabilities

From time to time and in varying degrees, Group operations and earnings continue to be affected by political, legislative, fiscal and regulatory developments, including those relating to environmental protection, in the countries in which it operates. The activities in which the Group is engaged are also subject to physical risks of various kinds. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on the future operations and earnings are not predictable.

Givaudan Group companies are involved in various legal and regulatory proceedings of a nature considered typical of its business, including contractual disputes and employment litigation.

Givaudan Flavors Corporation has been named as a defendant in numerous lawsuits and Ungerer & Company is named in one lawsuit that were brought against them and other flavour and raw chemical supply companies. The plaintiffs allege that they sustained pulmonary injuries due to flavours that contain diacetyl, 2,3 pentanedione and other flavouring chemicals. To date, many of the cases filed against the Group's affiliates have been settled or dismissed; however, numerous new cases have been filed. The Group has already recovered a portion of the prior defence and settlement costs from its insurance policies, and will continue to recover a portion of such future costs.

Givaudan is part of an industry-wide investigation by European, US and Swiss competition authorities in relation to certain activities within the Fragrance industry. Givaudan is fully cooperating with the authorities in this respect and as the investigation has not reached any conclusion, Givaudan is not in a position to estimate any financial impact arising therefrom.

30. Related Parties

Transactions between Givaudan SA and its subsidiaries, which are related parties of Givaudan SA, have been eliminated on consolidation and are not disclosed in this note.

Compensation of key management personnel

The compensation of the Board of Directors and the Executive Committee during the year was as follows:

in millions of Swiss francs	2023	2022
Salaries and other short-term benefits	13	13
Post-employment benefits	2	2
Share-based payments	5	5
Total compensation	20	20

No other related party transactions have taken place during 2023 (2022: nil) between the Group and the key management personnel.

Reconciliation table to the Swiss code of obligations

	IFRS		Adjustments [a]		Swiss CO (Art. 663b^{bis})	
in millions of Swiss francs	2023	2022	2023	2022	2023	2022
Salaries and other short-term benefits	13	13	(5)	(5)	8	8
Post-employment benefits	2	2			2	2
Share-based payments	5	5	5	2	10	7
Total compensation	20	20	–	(3)	20	17

a) IFRS information is adjusted mainly to the recognition of the share-based payments, IFRS 2 versus economic value at grant date. IFRS information also includes security costs.

There are no other significant related party transactions including in the jointly controlled entities.

31. Board of Directors and Executive Committee Compensation

Compensation of members of the Board of Directors

Compensation of Board members consists of Director fees, Committee fees and Restricted Share Units (RSUs). Fees are paid at the end of each year in office completed. RSUs give participants the right to receive Givaudan shares (or a cash equivalent in countries where securities laws prevent the offering of Givaudan securities) at the end of a three-year blocking period.

The Chairman of the Board does not receive any additional Board Membership fees. Similarly, a Committee Chairman does not receive any additional Committee Membership fees. Each Board member receives an additional amount of CHF 10,000 to cover out-of-pocket expenses. This amount is paid for the coming year in office. The RSUs are also granted for the same period.

The compensation paid to the Board members for the reporting period is shown in the table below:

in Swiss francs		Director fees [c]	Committee fees [c]	Total fixed (cash)	Number of RSUs granted [d]	Value at grant [e]	Total compensation
Calvin Grieder Chairman [a]	**2023**	400,000	65,000	465,000	210	581,343	1,046,343
	2022	400,000	65,000	465,000	160	578,816	1,043,816
Victor Balli [a]	**2023**	100,000	80,000	180,000	52	143,952	323,952
	2022	100,000	80,000	180,000	40	144,704	324,704
Prof. Dr-Ing. Werner Bauer [g]	**2023**	25,000	16,250	41,250	10	36,176	77,426
	2022	100,000	65,000	165,000	40	144,704	309,704
Lilian Biner [g]	**2023**	25,000	6,250	31,250	10	36,176	67,426
	2022	100,000	25,000	125,000	40	144,704	269,704
Michael Carlos [g]	**2023**	25,000	16,250	41,250	10	36,176	77,426
	2022	100,000	65,000	165,000	40	144,704	309,704
Ingrid Deltenre [a]	**2023**	100,000	61,250	161,250	52	143,952	305,202
	2022	100,000	50,000	150,000	40	144,704	294,704
Olivier Filliol [a]	**2023**	100,000	50,000	150,000	52	143,952	293,952
	2022	100,000	50,000	150,000	40	144,704	294,704
Sophie Gasperment [a]	**2023**	100,000	50,000	150,000	52	143,952	293,952
	2022	100,000	43,750	143,750	40	144,704	288,454
Tom Knutzen [a]	**2023**	100,000	55,000	155,000	52	143,952	298,952
	2022	75,000	18,750	93,750	40	108,528	202,278
Roberto Guidetti [a,f]	**2023**	75,000	18,750	93,750	39	107,964	201,714
	2022						
Total compensation [b]	**2023**						2,986,345
	2022						3,337,772

a) The function of each member of the Board of Directors is indicated on pages 13–15 in the 2022 Governance report and on pages 12–13 in the 2023 Governance Report.
b) Represents total compensation of the Board of Directors paid in respect of the reporting year, reported in accordance with the accrual principle.
c) Represents Director and Committee fees paid in respect of the reporting year, reported in accordance with the accrual principle.
d) 2023 RSUs blocking period end on 15 April 2026; 2022 RSUs end on 15 April 2025.
e) Economic value at grant according to IFRS methodology with no discount applied for the blocking period.
f) 2023 figures represent compensation from April to December.
g) Werner Bauer, Michael Carlos and Lilian Biner retired at the AGM in March 2023.

Estimated social security charges based on 2023 compensation amounted to CHF 212,414 (2022: CHF 258,719).

Other compensation, fees and loans to members or former members of the Board

No additional compensation or fees were paid to any member of the Board. No Board member or related parties had any loan outstanding as of 31 December 2023.

Special compensation of members of the Board who left the company during the reporting period

No such compensation was incurred during the reporting period.

Compensation of members of the Executive Committee

The compensation of the Executive Committee during the year was as follows:

in Swiss francs		Base Salary	Pension benefits [b]	Other benefits [c]	Total fixed compensation	Annual Incentive [d]	Number of performance shares granted [e]	Value at grant [f]	Total variable compensation	Total compensation	Employer social security [g]
Gilles Andrier, CEO	**2023**	1,238,211	579,028	144,549	1,961,788	1,490,425	903	2,499,775	3,990,200	5,951,988	464,405
	2022	1,228,041	573,379	134,689	1,936,109	1,114,879	691	2,499,762	3,614,641	5,550,750	459,497
EC members, excluding CEO [a]	**2023**	3,338,171	1,175,656	370,598	4,884,425	2,871,159	2,132	5,902,016	8,773,175	13,657,600	1,060,556
	2022	3,283,409	1,096,069	400,918	4,780,396	2,221,854	1,631	5,900,306	8,122,160	12,902,556	993,217
Total: EC Members, including CEO	**2023**	4,576,382	1,754,684	515,147	6,846,213	4,361,584	3,035	8,401,791	12,763,375	19,609,588	1,524,961
	2022	4,511,450	1,669,448	535,607	6,716,505	3,336,733	2,322	8,400,068	11,736,801	18,453,306	1,452,714

a) Represents full year compensation of six Executive Committee members.
b) Company contributions to broad-based pension and retirement savings plans and annualised expenses accrued for supplementary executive retirement benefit.
c) Represents annual value of health and welfare plans, international assignment benefits and other benefits in kind.
d) Annual incentive accrued in reporting period based on performance in the reporting period.
e) 2023 Performance shares vest on 15 April 2026, 2022 Performance Shares vest on 15 April 2025.
f) Value at grant calculated according to IFRS methodology and based on 100% achievement of performance targets.
g) 2023 estimated social security charges based on 2023 compensation; 2022 estimated social security charges based on 2022 compensation.

Other compensation, fees and loans to members or former members of the Executive Committee

No other compensation or fees were accrued for or paid to any member or former member of the Executive Committee during the reporting period. No member or former member of the Executive Committee or related parties had any loan outstanding as of 31 December 2023.

Special compensation of Executive Committee members who left the company during the reporting period

Members of the Executive Committee that stepped down during 2023 did not receive any special compensation as a result of their departure from the Company.

Ownership of shares and unvested share rights

Details on the Givaudan share based payment plans are described in Note 9.

As per 31 December 2023, the Chairman and other Board members including persons closely connected to them held 3,632 Givaudan shares in total. For further details, please refer to the following table showing:

– The shares held individually by each Board member as per 31 December 2023

– The RSUs that were granted in 2021–2023 and were still owned by members of the Board as per 31 December 2023.

2023 in numbers	Shares	Blocked RSUs
Calvin Grieder, Chairman	1,407	539
Victor Balli	363	134
Ingrid Deltenre	480	134
Olivier Filliol	1,252	134
Sophie Gasperment	30	134
Tom Knutzen	100	92
Roberto Guidetti		52
Total 2023	3,632	1,219
Total 2022	6,850	1,493

The company is not aware of any other ownership of shares, share options/option rights, RSUs or performance shares as per 31 December 2023 by persons closely connected to members of the Board.

As per 31 December 2023, the Chief Executive Officer and other members of the Executive Committee, including persons closely connected to them, held 10,843 Givaudan shares in total.

For further details, please refer to the below table showing:

– The shares held individually by each member of the Executive Committee as per 31 December 2023

– The unvested performance shares that were granted in 2021–2023 and were still owned by members of the Executive Committee as per 31 December 2023.

2023 in numbers	Shares	Unvested Performance Shares
Gilles Andrier, CEO	5,480	2,322
Tom Hallam	594	1,039
Louie D'Amico	981	1,162
Maurizio Volpi	1,771	1,162
Simon Halle-Smith	335	696
Willem Mutsaerts	777	696
Anne Tayac	905	696
Total 2023	10,843	7,773
Total 2022	9,478	7,710

No member of the Executive Committee held any share options or option rights as at 31 December 2023 (2022: none).

One person closely connected to a member of the Executive Committee owned 160 unvested Performance Shares as at 31 December 2023.

The company is not aware of any other ownership of shares, share options/option rights, RSUs or performance shares as per 31 December 2023 by persons closely connected to members of the Executive Committee.

32. List of Principal Group Companies

The following are the principal companies fully owned by the Group. Share capital is shown in thousands of currency units:

Switzerland	Givaudan SA	CHF	92,336
	Givaudan Suisse SA	CHF	4,000
	Givaudan Finance SA	CHF	100,000
	Givaudan International SA	CHF	100
	Givaudan Treasury International SA	CHF	1,000
	Naturex AG	CHF	15,300
	Agthemis RE AG	CHF	3,300
	Fondation Givaudan	–	–
Argentina	Givaudan Argentina SA	ARS	30,000
	Givaudan Argentina Servicios SA	ARS	8,000
Australia	Givaudan Australia Pty Ltd	AUD	95,726
	Naturex Australia Pty Ltd	AUD	0.003
	Ungerer Australia Pty Ltd	AUD	1,311
Austria	Givaudan Austria GmbH	EUR	40
Belgium	Naturex SRL	EUR	1,000
Brazil	Givaudan do Brasil Ltda	BRL	345,381
	Naturex Ingredientes Naturais Ltda	BRL	10,494
	D.D. Williamson do Brasil Ltda	BRL	16,209
Canada	Givaudan Canada Co	CAD	12,901
Chile	Givaudan Chile Ltda	CLP	5,000
	Chile Botanics SpA	CLP	1,837,205
China	Givaudan Fragrances (Shanghai) Ltd	USD	7,750
	Givaudan Flavors (Shanghai) Ltd	USD	10,783
	Givaudan Specialty Products (Shanghai) Ltd	USD	12,000
	Givaudan Hong Kong Ltd	HKD	7,374
	Givaudan Flavors (Nantong) Ltd	USD	39,000
	Naturex Trading Shanghai Co Ltd	CNY	5,608
	Givaudan Fragrances (Guangzhou) Co Ltd	CNY	14,058
	D.D. Williamson Ingredients (Shanghai) Ltd	CNY	11,637
Colombia	Givaudan Colombia SA	COP	6,965,925
Egypt	Givaudan Egypt SAE	USD	21,360
	Givaudan Egypt Fragrances LLC	EGP	50
France	Givaudan France SAS	EUR	5,103
	Expressions Parfumées SAS	EUR	3,548
	Givaudan France Naturals SAS	EUR	14,551
	Albert Vieille SAS	EUR	908
	Alderys SAS (ownership of 80%)	EUR	13
Germany	Givaudan Deutschland GmbH	EUR	150,309
	Naturex GmbH	EUR	150
	drom Perfume Trade GmbH	EUR	51
Hungary	Givaudan Hungary Kft	EUR	15
	Givaudan Business Solutions Kft	EUR	12
India	Givaudan (India) Private Ltd	INR	199,700
	Naturex India Private Ltd	INR	64,416
	Valentine Foods Private Ltd	INR	100
Indonesia	P.T. Givaudan Indonesia	IDR	2,608,000
	P.T. drom Fragrances Indonesia	IDR	3,462,600
	P.T. Fragrance Oils Indonesia	USD	30
Ireland	D.D. Williamson (Ireland) Ltd	EUR	117
Italy	Givaudan Italia SpA	EUR	521
	Expressions Parfumées SRLA	EUR	10
	Naturex SpA	EUR	1,200
Ivory Coast	Naturex Ivory Coast Abidjan Purchasing	XOF	6,000
Japan	Givaudan Japan K.K.	JPY	1,000,000
	Naturex K.K.	JPY	5,000
Korea	Givaudan Korea Ltd	KRW	550,020
Malaysia	Givaudan Business Solutions Asia Pacific Sdn.Bhd	MYR	2,000
	Givaudan Flavours & Fragrances Malaysia Sdn.Bhd	MYR	3,981
	Fragrance Oils (Malaysia) Sdn.Bhd	MYR	–
	DDW Colours Sdn.Bhd	USD	3,051

Morocco	Naturex Morocco Casablanca	MAD	24,640
Mexico	Givaudan de Mexico SA de CV	MXN	53,706
	Naturex Ingredientes Naturales SA de CV	MXN	62,768
	Oxiquimica S.A.P.I de CV	MXN	550
	Ungerer Mexico S. de R.L. de CV	MXN	94,617
Netherlands	Givaudan Nederland B.V.	EUR	402
	Vika B.V.	EUR	20
	Virgula B.V.	EUR	20
	Naturex Coöperatief UA	EUR	1
	Givaudan Finance Europe BV	EUR	5,000
	N&H International Holding 2 B.V.	EUR	0.1
New Zealand	Givaudan NZ Ltd	NZD	71
Nigeria	Givaudan (Nigeria) Ltd	NGN	10,000
	Fragrance Oils (West Africa) Ltd	NGN	15,000
Peru	Givaudan Peru SAC	PEN	1,303
Poland	Givaudan Polska Sp. Z.o.o.	PLN	50
Russia	Givaudan Rus LLC	RUB	9,000
	Naturex LLC	RUB	1,500
Singapore	Givaudan Singapore Pte Ltd	SGD	24,000
	Fragrance Oils (Far East) Pte Ltd	GBP	5
South Africa	Givaudan South Africa (Pty) Ltd	ZAR	360,002
Spain	Givaudan Iberica, SA	EUR	8,020
	Naturex Iberian Partners, SL	EUR	19,497
	Aromasur S.L.U.	EUR	1,320
Swaziland	D.D. Williamson (Pty) Ltd	ZAR	–
Sweden	Givaudan North Europe AB	SEK	120
	Swedish Oat Fiber AB	SEK	1,000
Thailand	Givaudan (Thailand) Ltd	THB	100,000
Turkey	Givaudan Aroma Ve Esans Sanayi Ve Ticaret Limited Sirketi	TRY	34

United Kingdom	Givaudan UK Ltd	GBP	70
	Givaudan Holdings UK Ltd	GBP	–
	Fragrance Oils Limited	GBP	80
	Fragrance Oils (International) Limited	GBP	16
	Ungerer Limited	GBP	5
	N&H Holding UK Ltd	GBP	21,316
	D.D. Williamson (U.K.) Ltd	GBP	2,106
	DDW Colours UK Ltd	GBP	21,316
United Arab Emirates	Givaudan Middle East & Africa FZE	AED	1,000
	Expression Parfumées LLC	AED	300
United States of America	Givaudan United States, Inc.	USD	0.05
	Givaudan Flavors Corporation	USD	0.1
	Givaudan Fragrances Corporation	USD	0.1
	Givaudan Flavors and Fragrances, Inc.	USD	0.1
	Vegetable Juices, Inc.	USD	–
	Ungerer Industries, Inc	USD	1,807
	Ungerer and Company, Inc	USD	650
	DDW, Inc.	USD	45,008
	The Williamson Group, Inc.	USD	1,841
	D.D. Williamson & Co., Inc.	USD	2,540
	D.D. Williamson & Colors, LLC.	USD	416
	Custom Essence	USD	2,062
	Expressions Parfumées Inc.	USD	5
Venezuela	Givaudan Venezuela SA	VES	4.5
Vietnam	Givaudan Vietnam Company Limited	USD	3,279

33. Disclosure of the Process of Risk Assessment

Risk management in Givaudan is an integral part of the business. It is a structured and continuous process of identifying, assessing and deciding on responses to risks. The reporting of the opportunities and threats that these risks create and how they might hinder the business in achieving its objectives is also part of managing risks.

Risk management is the responsibility of the Board of Directors, which delegates to the Executive Committee the management of the overall company risk management process. The Group actively promotes the continuous monitoring and management of risks at the operational management level.

The Givaudan Enterprise Risk Management Charter describes the principles, framework and process of the Givaudan Enterprise Risk Management, which ensure that material risks are identified, managed and reported. It defines the associated roles and responsibilities which are reflected in the delegated authorities. Enterprise Risk Management encompasses both the Fragrance & Beauty and Taste & Wellbeing businesses, as well as Givaudan Group functions. It includes all types of risks in terms of their nature, their source or their consequences.

The process aims to be comprehensive, organised and documented in order to improve compliance with corporate governance regulations, guidelines and good practices; better understand the risk profile of the business; and provide additional risk-based management information for decision making.

The objectives of the Risk Management process are to continuously ensure and improve compliance with good corporate governance guidelines and practices as well as laws and regulations, where applicable; facilitate disclosure to key stakeholders of potential risks and the company's philosophy for dealing with them. At the same time, the process creates the awareness of all key executives of the magnitude of risks; provides risk-based management information for effective decision-making; and safeguard the values of the company and its assets, and protect the interests of shareholders.

Givaudan's management, at all levels, is accountable for ensuring the appropriateness, timeliness and adequacy of the risk analysis. Mitigation decisions are taken at individual and combined levels. This management is also responsible for implementing, tracking and reporting the risk mitigation directives of the Executive Committee, including periodic reporting to the Board. The assessment is performed in collaboration between the Executive Committee, divisional and functional management teams and the Corporate Compliance Officer.

The Board of Directors' Audit Committee also promotes the effective communication between the Board, Givaudan's Executive Committee, other senior corporate functions and Corporate Internal Audit in order to foster openness and accountability.

Givaudan has carried out its annual review of internal controls over accounting and financial reporting. A risk assessment is performed throughout the Internal Control System for those identified risks which may arise from the accounting and financial reporting. Then, relevant financial reporting controls are defined for each risk.

KPMG SA
Esplanade de Pont-Rouge 6
1201 Geneva
Switzerland

Statutory Auditor's Report

To the General Meeting of Givaudan SA, Vernier

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Givaudan SA and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 55 to 110) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for Opinion

We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Valuation of goodwill

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Valuation of goodwill

KEY AUDIT MATTER	OUR RESPONSE
The Group reports goodwill totaling CHF 3,203 million as of 31 December 2023, arising from past business combinations. Management tests goodwill for impairment annually or more frequently when there are indications of impairment. For testing the valuation of goodwill management uses a discounted cash flow model to determine the value in use of the cash generating units (CGUs). Performing the impairment test on the level of individual CGUs requires the use of a number of key assumptions and judgements, including estimated future cash flows, growth rates, profitability levels and discount rates. In addition, the determination of the cash generating units requires judgement. As a consequence of management's judgement involved, we identified the valuation of goodwill as a key audit matter.	Our audit procedures included, amongst others, evaluating the methodological and mathematical accuracy of the valuation model used for the impairment testing as well as the appropriateness of the assumptions and the methodology used by management to prepare its cash flow forecasts. We used our own valuation specialists to support our procedures. In particular, we performed the following: – Gaining an understanding and assessing the reasonableness of business plans and forecasts by backtesting historical forecasts to actual results; – Comparing business plan data against the latest plans approved by the board of directors and forecasts approved by management; – Challenging the robustness of the key assumptions used to determine the recoverable amount, including identification of the CGUs and respective goodwill allocation, forecast cash flows, growth rates, profitability levels and discount rates based on our understanding of the commercial prospects of the related CGUs and by comparing them with publicly available data, where possible; – Conducting a sensitivity analysis on key assumptions; – Recalculating the recoverable amount and its surplus over the carrying amount to assess the headroom for selected CGUs. We also considered the appropriateness of disclosures in the consolidated financial statements.

For further information on the valuation of goodwill refer to Note 22 "Intangible assets" on pages 95–97.

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Other Matter

The consolidated financial statements of Givaudan SA for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 23 January 2023.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the company, the compensation report and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Swiss law, ISA and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

KPMG SA

Hélène Béguin
Licensed Audit Expert
Auditor in Charge

Ekaterina Abramova

Geneva, 24 January 2024

Statutory Financial Report

Statutory financial statements of Givaudan SA (Group Holding Company)

Notes to the statutory financial statements

Appropriation of available earnings

Report of the Statutory Auditor

Statutory financial statements of Givaudan SA (Group Holding Company)

INCOME STATEMENT

For the year ended 31 December

in millions of Swiss francs	Note	2023	2022
Income from investments in Group companies		140	195
Royalties from Group companies		1,050	1,060
Other operating income		–	1
Share of results of joint ventures, associates and other investments	4	4	5
Total Operating income		**1,194**	**1,261**
Research and development expenses to Group companies		(355)	(349)
Personnel expenses		(2)	(2)
Other operating expenses		(58)	(57)
Depreciation of property, plant and equipment		–	–
Amortisation and impairment of intangible assets		(82)	(73)
Total Operating expenses		**(497)**	**(481)**
Operating income		**697**	**780**
Financial expenses		(400)	(520)
Financial income		171	414
Non-operating expenses	3	(103)	(1,112)
Extraordinary, non-recurring expenses		–	(1)
Income before taxes		**365**	**(439)**
Income taxes		(4)	1
Net income (loss)		**361**	**(438)**

STATEMENT OF FINANCIAL POSITION

in millions of Swiss francs	Note	31 December 2023	31 December 2022
Cash and cash equivalents		10	9
Marketable securities		170	179
Accounts receivable from Group companies		226	188
Other current assets		14	13
Accrued income and prepaid expenses		3	3
Current assets		**423**	**392**
Loans to Group companies		400	400
Other long-term assets		110	168
Investments in Group companies	3	5,839	5,495
Interests in joint ventures and investments in associates	4	26	28
Other financial assets		17	9
Property, plant and equipment		1	1
Intangible assets		525	363
Non-current assets		**6,918**	**6,464**
Total assets		**7,341**	**6,856**
Short-term debt	5	1,002	325
Accounts payable to Group companies		295	188
Other current liabilities		93	60
Deferred income and accrued expenses		303	215
Current liabilities		**1,693**	**788**
Long-term debt	5	2,606	3,168
Loans from Group companies		1,395	989
Other non-current liabilities		19	28
Non-current liabilities		**4,020**	**4,185**
Total liabilities		**5,713**	**4,973**
Share capital	8	92	92
Statutory retained earnings	8	18	18
Statutory capital reserves from capital contributions – additional paid-in capital	8	3	3
Voluntary retained earnings	8	1,142	1,942
Own shares	8, 9	(18)	(19)
Available retained earnings			
Balance brought forward from previous year		30	285
Net income for the year		361	(438)
Equity		**1,628**	**1,883**
Total liabilities and equity		**7,341**	**6,856**

Notes to the statutory financial statements

1. General Information

1.1 Structure and Description of the Activity

Givaudan SA is a limited liability company incorporated and domiciled in Switzerland. The company is based in Vernier, near Geneva, Switzerland. Givaudan SA invests in companies of the Givaudan Group, who is a leading supplier of creative fragrance, beauty, taste and wellbeing products to the consumer goods industry. In addition, Givaudan SA invests in research and development and supplies services for the use of these products. Givaudan SA develops, registers and makes use of all trademarks, patents, licenses, manufacturing processes and formulas.

1.2 Employees

The average number of employees during the year was less than ten (2022: less than ten).

2. Summary of Accounting Principles Adopted

The financial statements at 31 December 2023 are prepared in accordance with Swiss law.

The company is classified as a large entity as it meets the criteria to present group accounts under the definition of art. 961d al. 1 of the Swiss Code of Obligations. As Givaudan prepares and reports comprehensive consolidated financial statements under International Financial Reporting Standards (IFRS) including a cash flow statement, accompanying notes and a management report, Givaudan SA is exempt from preparing this information.

Valuation Methods and Translation of Foreign Currencies

Investments in, and loans to, Group companies are stated at cost less appropriate write-downs. Marketable securities are shown at the lower of cost and market value. Derivatives are recorded at fair value.

The currency in which Givaudan SA operates is Swiss francs (CHF) and the accounts are presented in Swiss francs. In the statement of financial position, foreign currency assets and liabilities are remeasured at year-end exchange rates with the exception of investments in Group companies which are valued at historical exchange rates. In the income statement, expenses and income in foreign currencies are converted in Swiss francs using the daily exchange rate of the transaction date. Foreign currency gains and losses are recognised in the income statement as they occur with the exception of unrealised gains which are deferred.

3. Subsidiaries

List of the direct subsidiaries of the Company, which are wholly-owned unless otherwise indicated (percentage of voting rights):

Switzerland	Givaudan Suisse SA
	Givaudan Finance SA
	Givaudan International SA
	Kemptthal Immobilien Nord AG
	Givaudan Treasury International SA
Argentina	Givaudan Argentina SA
	Givaudan Argentina Servicios SA
Australia	Givaudan Australia Pty Ltd
Austria	Givaudan Austria GmbH
Brazil	Givaudan do Brasil Ltda
	D.D. Williamson do Brasil Ltda
	Naturex Ingredientes Naturais Ltda
Canada	Givaudan Canada Co
Cayman Islands	Colortech LP
Chile	Givaudan Chile Ltda
	Chile Botanics SpA
China	Givaudan Fragrances (Shanghai) Ltd
	Givaudan Flavors (Shanghai) Ltd
	Givaudan Specialty Products (Shanghai) Ltd
	Givaudan Hong Kong Ltd
	Givaudan Flavors (Nantong) Ltd
	Givaudan Management Consulting (Shanghai) Ltd
	Givaudan Fragrances (Changzhou) Ltd
Colombia	Givaudan Colombia SA
Egypt	Givaudan Egypt SAE
	Givaudan Egypt Fragrances LLC

France	Givaudan France SAS
	Activ International SAS
	Expressions Parfumées SAS
	Givaudan France Naturals SAS
	Albert Vieille SAS
	Alderys SAS (ownership of 80%)
Germany	Givaudan Deutschland GmbH
Guatemala	Givaudan Guatemala SA
Hungary	Givaudan Hungary Kft
	Givaudan Business Solutions Kft
India	Givaudan (India) Private Ltd
Indonesia	P.T. Givaudan Indonesia
	P.T. Givaudan Flavours and Fragrances Indonesia
	P.T. drom Fragrances Indonesia
Italy	Givaudan Italia SpA
Japan	Givaudan Japan K.K.
Korea	Givaudan Korea Ltd
Malaysia	Givaudan Malaysia Sdn.Bhd
	DDW Colours Sdn.Bhd
	Givaudan Flavours & Fragrances Malaysia Sdn.Bhd
Mexico	Givaudan de Mexico SA de CV
Netherlands	Givaudan Nederland B.V.
	Virgula B.V.
	N&H International Holding 2 B.V.
Nigeria	Givaudan (Nigeria) Ltd
Peru	Givaudan Peru SAC
Poland	Givaudan Polska Sp. Z.o.o.
Russia	Givaudan Rus LLC
Singapore	Givaudan Singapore Pte Ltd

South Africa	Givaudan South Africa (Pty) Ltd
Spain	Givaudan Iberica, SA
Sweden	Givaudan North Europe AB
Thailand	Givaudan (Thailand) Ltd
Turkey	Givaudan Aroma Ve Esans Sanayi Ve Ticaret Limited Sirketi
United Kingdom	Givaudan Holdings UK Ltd
	Fragrance Oils Limited
	Ungerer Limited
United Arab Emirates	Givaudan Middle East & Africa FZE
United States of America	Givaudan United States, Inc.
	Ungerer Industries, Inc.
Vietnam	Givaudan Vietnam Company Limited

During 2023 Givaudan SA acquired the investments in D.D. Williamson do Brasil Ltda and DDW Colours Sdn.Bhd. from Colortech LP (a subsidiary of Givaudan SA). The Company increased its investment in Givaudan United States Inc and the Company ceased its investment in Drom international UK limited (liquidated in 2023), Vamara Holding SA (merged into Givaudan Finance SA) and Naturex Chile SpA (merged into Chile Botanics SpA). In 2023 Givaudan SA impaired some of its investments for a total of CHF 12 million.

In 2022 the Company performed some internal restructuring of acquired companies and in doing so transferred the shareholdings of a number of affiliates to other affiliates within the Group. These transfers resulted in a statutory level impairment in Givaudan SA of CHF 1,012 million, which is recorded in the income statement under non-operating expenses. This item had no effect on the consolidated financial statements of the Givaudan Group, aside from the tax impact, with the corresponding tax losses available to be carried forward for up to seven years.

4. Investments in Joint Ventures

Name of joint ventures	Principal activity	Country of incorporation	Ownership interest / Voting rights
BGN Tech LLC (in liquidation)	Innovative natural ingredients	USA	49%
Natural Extracts International Ltd	Natural ingredient derivatives production	Mauritius	49%
Vanilla International Ltd	Natural ingredient collection and extract	Mauritius	49%
Prigiv Specialties Private Limited	Highly specialized aroma chemicals	India	49%
The Cultured Hub AG	Cellular agriculture products	Switzerland	33%

5. Debt

Givaudan SA entered into the following debt transactions:

Issue date	Type of debt	Currency of principal	Principal amount in millions	Redeemable	Interest rate	Type of interest	2023	2022
							in millions of Swiss francs	
2014	Public bonds	CHF	150	19 Mar 2024	1.750%	Fixed	150	150
2016	Public bonds	CHF	200	05 Dec 2031	0.625%	Fixed	200	200
2017	Private placement	EUR	200	20 Dec 2024	1.331%	Fixed	186	197
2018	Public bonds	CHF	200	09 Apr 2025	0.375%	Fixed	200	200
2018	Public bonds	EUR	500	17 Sep 2025	1.125%	Fixed	464	492
2018	Public bonds	EUR	800	17 Sep 2030	2.000%	Fixed	741	788
2020	Public bonds	CHF	150	10 Nov 2028	0.150%	Fixed	150	150
2021	Public bonds	CHF	150	07 Jun 2027	0.125%	Fixed	150	150
2021	Public bonds	CHF	150	07 Jun 2030	0.375%	Fixed	150	150
2022	Public bonds	CHF	150	15 Jun 2026	1.125%	Fixed	150	150
2022	Public bonds	CHF	150	15 Jun 2029	1.625%	Fixed	150	150
2023	Public bonds	CHF	250	23 May 2031	2.375%	Fixed	250	
2022	Revolving Credit Facility	USD	420	15 Jun 2028			Reimbursed	391
Total debt as at 31 December							2,941	3,168

As at 31 December 2023, short term debt includes an overdraft of CHF 667 million (2022: CHF 325 million) related to the cash pooling agreements with a Group company.

6. Guarantees

Givaudan SA has provided a collateral of CHF 9 million (2022: CHF 9 million) for derivative instruments. Furthermore, the Company is guarantor for the bond issued in Givaudan Finance Europe BV in 2023.

7. Indirect Taxes

The company is part of a Group for VAT purposes with five other affiliates of the Group in Switzerland. The company is jointly and severally liable towards the tax authorities for current and future VAT payables of the VAT Group to which it belongs.

8. Equity

As at 31 December 2023 the share capital amounts to CHF 92,335,860, divided into 9,233,586 fully paid-up registered shares, with a nominal value of CHF 10.00 each. Every share gives the right to one vote.

At the Annual General Meeting of Shareholders 2023, a new capital band was introduced in the Articles of Association. As per article 3a of the Company's Article of Association, the Board of directors of the Company is authorised to increase (but not reduce) the share capital of the Company within a capital band ranging from CHF 92,335,860 (lower limit) to CHF 101,569,450 (upper limit), once or several times and in any amounts, by issuing up to 923,359 fully paid-in registered shares with a par value of CHF 10.00 each. The capital band therefore amounts to a maximum of 10% of the existing share capital of the Company.

The authorisation granted to the Board of directors of the Company is valid until 23 March 2028, absent any earlier expiry of the capital range.

The advance subscription rights of shareholders may be excluded by the Board of directors of the Company in order to finance acquisitions of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or other assets, to broaden the shareholder constituency of the Company in certain financial or investor markets, to allow the participation of strategic partners, including financial investors, or in connection with the listing of shares on domestic or foreign exchanges.

At the Annual General Meeting of Shareholders 2023, the existing conditional share capital of the Company provided in article 3b of the Articles of Association was repealed and replaced by a conditional capital based on the capital range. Pursuant to the amended article 3b of the Company's Articles of Association, the Company's share capital can be increased based on the capital range by issuing up to 923,359 fully paid-in shares (CHF 9,233,590) through the voluntary or mandatory exercise of exchange, option or conversion rights granted, among others, in connection with the issuance by the Company or another Group company of bonds, options, warrants or other financial instruments (the Financial Instruments).

The advance subscription rights of the shareholders are excluded for the issuance of shares based on Financial Instruments. The Board of Directors is authorised to exclude the shareholders' advance subscription right to subscribe to Financial Instruments for an important reason such as provided under the capital band, or if the Financial Instruments are issued on adequate terms. In that case, Financial Instruments must be offered to the public taking into account the shares' market price and during a limited period of time.

The acquisition of shares through the exercise of option or conversion rights and the transfer of such shares are subject to restrictions as described in article 5 of the Articles of Association.

At the Annual General Meeting held on 23 March 2023 the distribution of an ordinary dividend of CHF 67.00 per share (2022: CHF 66.00 per share) was approved. The dividend payment has been paid out of available retained earnings.

The movements in equity are as follows:

2023 in millions of Swiss francs	Share Capital	Statutory retained earnings	Additional paid-in capital	Voluntary retained earnings	Available retained earnings	Own shares	Total
Balance as at 1 January	92	18	3	1,942	(153)	(19)	1,883
Registered shares							
Issuance of shares							
Movement of shares						1	1
Appropriation of available earnings							
Transfer to the free reserve				(800)	800		
Distribution to the shareholders paid relating to 2022					(617)		(617)
Net profit for the year					361		361
Balance as at 31 December	92	18	3	1,142	391	(18)	1,628

2022 in millions of Swiss francs	Share Capital	Statutory retained earnings	Additional paid-in capital	Voluntary retained earnings	Available retained earnings	Own shares	Total
Balance as at 1 January	92	18	3	1,542	1,292	(34)	2,913
Registered shares							
Issuance of shares							
Movement of shares						15	15
Appropriation of available earnings							
Transfer to the free reserve				400	(400)		
Distribution to the shareholders paid relating to 2021					(607)		(607)
Net profit for the year					(438)		(438)
Balance as at 31 December	92	18	3	1,942	(153)	(19)	1,883

Statutory capital reserves from capital contributions – additional paid-in capital are presented separately in equity. Any payments made out of these reserves are not subject to Swiss withholding tax, nor subject to income tax on individual shareholders who are resident in Switzerland.

9. Own Shares

The movements in own shares are as follows:

2023	Number	Price in Swiss francs High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	6,772				19
Purchases at cost	11,000	4,070.5	2,693.7	1,907.0	30
Sales and transfers at cost	(11,435)	2,833.0	2,746.8	2,746.7	(31)
Balance as at 31 December	6,337				18

2022	Number	Price in Swiss francs High	Average	Low	Total in millions of Swiss francs
Balance as at 1 January	12,656				34
Purchases at cost	17,000	3,639.7	2,970.5	1,680.0	50
Sales and transfers at cost	(22,884)	2,861.6	2,861.6	2,861.6	(65)
Balance as at 31 December	6,772				19

As at 31 December 2023 and 2022, there were no other companies controlled by Givaudan SA that held Givaudan SA shares.

As at 31 December 2023, William H. Gates III and Melinda French Gates (13.86%), BlackRock Inc. (5.05%), Haldor Foundation (4.96%) and UBS Fund Management (Switzerland) AG (3.12%) were the only shareholders holding more than 3% of total voting rights.

During the year Givaudan SA granted the following number of shares as share based payments to:

	2023		2022	
	Number	Value in millions of Swiss francs	Number	Value in millions of Swiss francs
Board of Directors	602	2	630	2
Executive Committee members and employees	10,833	34	22,254	86
Total	11,435	36	22,884	88

Appropriation of available earnings and distribution from the statutory capital reserves from contributions – additional paid-in capital of Givaudan SA

Proposal of the Board of Directors to the General Meeting of Shareholders

Available earnings

in Swiss francs	2023	2022
Net income for the year	361,345,839	(437,579,832)
Balance brought forward from previous year	28,882,320	283,922,896
Total available earnings	390,228,159	(153,656,936)
2022 distribution proposal of CHF 67.00 gross per share		618,650,262
2023 distribution proposal of CHF 68.00 gross per share	627,883,848	
Transfer (from) to voluntary retained earnings	(300,000,000)	(800,000,000)
Total appropriation of available earnings	327,883,848	(181,349,738)
Distribution not paid on Treasury shares held by the Group		1,189,518
Amount to be carried forward	62,344,311	28,882,320

Statutory capital reserves from capital contributions – additional paid-in capital

in Swiss francs	2023	2022
Balance brought forward from previous year	3,322,955	3,322,955
Total additional paid-in capital	3,322,955	3,322,955
Amount to be carried forward	3,322,955	3,322,955

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Statutory Auditor's Report

KPMG SA
Esplanade de Pont-Rouge 6
1201 Geneva
Switzerland

To the General Meeting of Givaudan SA, Vernier

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Givaudan SA (the Company), which comprise the balance sheet as at 31 December 2023, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 117 to 125) comply with Swiss law and the Company's articles of incorporation.

Basis for Opinion

We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

Other Matter

The financial statements of Givaudan SA for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 23 January 2023.

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Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements of the Company, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' Responsibilities for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

KPMG

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

– Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

– Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors or its relevant committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG

Report on Other Legal and Regulatory Requirements

In accordance with article 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

KPMG SA

Hélène Béguin
Licensed Audit Expert
Auditor in Charge

Ekaterina Abramova

Geneva, 24 January 2024

Appendix

Alternative performance measures

Introduction

On 1 January 2019 the Directive Alternative Performance Measures (DAPM), issued by the SIX Exchange Regulation, came into force with the purpose to promote the clear and transparent use of alternative performance measures.

The Directive prescribes that clear and comprehensible definitions must be disclosed for all alternative performance measures used. Also, for alternative performance measures that are based on a measure included in the financial statements prepared in accordance with recognised accounting standards and which have been adjusted by adding or omitting specific items, a reconciliation statement must be disclosed to a comparable measure in the financial statements according to the recognised accounting standard. Significant reconciliation items must be explained.

Givaudan's Alternative Performance Measures

In the 2023 Full Year Results Media Release and on pages 68 to 71 of the 2023 Integrated Annual Report, the Group uses a number of Alternative Performance Measures that are listed and defined below.

Like-for-Like (LFL)

LFL is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period.

Reconciliation tables of the LFL sales to the reported sales in accordance with IFRS have been included in the 2023 Full Year Results Media Release.

EBITDA

EBITDA defined as Earnings Before Interest (and other financial income (expense), net), Tax, Depreciation and Amortisation, corresponds to operating income before depreciation, amortisation and impairment of long-lived assets.

In millions of Swiss francs	2023	2022
Income for the period	893	856
Interest and other financial (income) expense, net	127	184
Income taxes	96	72
Operating income	1,116	1,112
Depreciation	202	209
Amortisation	154	155
Impairment	1	–
EBITDA	**1,473**	**1,476**

Comparable EBITDA

Comparable EBITDA is the reported EBITDA, as adjusted for significant items of a non-recurring nature which have an impact on the understanding of the underlying normal operating activities.

A reconciliation table of the published EBITDA to the Comparable EBITDA (EBITDA as defined in the section EBITDA above) has been included in the 2023 Full Year Results Media Release. In that reconciliation table, all significant one-off items have been explained.

Free Cash Flow (FCF)

FCF refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments.

In millions of Swiss francs	2023	2022
Cash flows from (for) operating activities	1,373	948
Purchase of property, plant and equipment	(215)	(226)
Proceeds from the disposal of property, plant and equipment	4	15
Purchase of intangible assets	(60)	(78)
Proceeds from the disposal of intangible assets	–	–
Interest paid	(97)	(72)
Lease payments	(56)	(57)
Purchase and sale of own equity instruments, net	(29)	(51)
Free cash flow (FCF)	920	479
Sales	6,915	7,117
Free cash flow (FCF) as a % of sales	**13.3%**	**6.7%**

Does not include the acquisition of assets in the form of an asset deal.

Net debt to EBITDA Ratio

The Net debt to EBITDA ratio is calculated as follows:

In millions of Swiss francs	31 December 2023	31 December 2022
Short-term debt	442	356
Long-term debt	4,463	4,649
Less: cash and cash equivalents	(600)	(475)
Net debt	4,305	4,530
EBITDA	1,473	1,476
Net debt to EBITDA ratio	2.92	3.07
Comparable EBITDA	1,547	1,486
Net debt to Comparable EBITDA ratio	**2.78**	**3.05**

Givaudan registered offices

Country	Legal Entity name	Address
Algeria	Givaudan International SA (Suisse) Bureau de Liaison Algérie	Tour A – 4ème étage, Business Centre Dar El Madina, Micro Zone d'activité Hydra Lot N° 20, 16035 Algers
Argentina	Givaudan Argentina SA	San Lorenzo 4759, Esquina Ave Mitre, Munro, Prov. Buenos Aires B 1605 EIO
	Givaudan Argentina SA	Ruta 9 Panamericana Km 36.5, Partido Malvinas Argentinas, Buenos Aires B1667KOV
	Givaudan Argentina Servicios SA[2]	Tronador 4890, 8° piso, Buenos Aires C 1430 DNN CABA
Australia	Givaudan Australia Pty Ltd	12 – 14 Britton Street, Smithfield, Sydney NSW 2164
	Givaudan Australia Pty Ltd	Unit 36, 5 Inglewood Place, Baulkham Hills, Sydney NSW 2153
	Givaudan Australia Pty Ltd	Suite West 11A, ground fl., 215 Bell Street, Preston VIC 3072
Austria	Givaudan Austria GmbH	Twin Tower Vienna, Wienerbergstrasse 11, 1109 Vienna
Belgium	Naska Ingredients NV	Lausbedstraat 4, 3630 Maasmechelen
	Naturex SPRL	Val d'Or, Gulledelle, 96 BE-1200 Woluwe Saint Lambert, Brussels
Brazil	Givaudan do Brasil Ltda	Avenida Engenheiro Billings 2185, Jaguaré, São Paulo, 05321-010
	Givaudan do Brasil Ltda	Avenida Engenheiro Billings 1653 & 1729, Jaguaré, São Paulo, 05321-010
	Givaudan	Rodovia Eduardo Zuccari, Km 21,5, Chácara Recreio Vista Alegre, Botucatu, São Paulo, 18603-970
	DDW, The Color House	Ave. Buriti 5680, Distrito Industrial 69075-000 Manaus Amazonas
Canada	Givaudan Canada Co.	2855 Argentia Road, Mississauga, Ontario L5N 8G6
Chile	Givaudan Chile Ltda	Avda Del Valle 869, oficina 202, Ciudad Empresarial, Comuna de Huechuraba, Santiago de Chile
	Chile Botanics Spa	Avenida Suecia Nro. 0142 Oficina 303-304, Comuna Providencia, Región Metropolitana
	Chili Botanics Spa	Longitudinal Sur Km 297, S/N, Linares, Región del Maule

Country	Legal Entity name	Address
China	Givaudan Flavors (Shanghai) Ltd Beijing Branch	15F, Tower 2, Kun Sha Center, n° 16 Xin Yuan Li Road, Chao Yang District, 100027 Beijing
	Givaudan Fragrances (Shanghai) Ltd Beijing Branch	15F, Tower 2, Kun Sha Center, n° 16 Xin Yuan Li Road, Chao Yang District, 100027 Beijing
	Givaudan Flavors (Shanghai) Ltd	668 Jing Ye Road, Jin Qiao Export Area, Pu Dong New Area, 201201 Shanghai
	Givaudan Fragrances (Shanghai) Ltd	298 Li Shi Zhen Road, Zhangjiang High-Tech Park, Pudong New Area, 201203 Shanghai
	Givaudan Specialty Products (Shanghai) Ltd	222, Jiang Tian East Road, Songjiang Development Zone, 201600 Shanghai
	Naturex Trading (Shanghai) Co, Ltd	Shanghai Juke Biotech Park, - 6th Floor, Bdg 4 - No.333 Guiping Road, Xuhui District, 200233 Shanghai
	Givaudan Flavours (Nantong) Ltd	N° 7 Jianghai Road, Nantong Economic and Technological Development Area, 226017 Nantong, Jiangsu Province
	Givaudan Flavors (Shanghai) Ltd Guangzhou Branch	Unit 5, 15F Shuion Center, n° 374 – 2 Beijing Road, Yue Xiu District, 510030 Guangzhou
	Givaudan Fragrances (Guangzhou) Ltd	no. 66, Hongjing Road, Guangzhou, 510760, Guangdong
	Givaudan Fragrances (Shanghai) Ltd Guangzhou Branch	Unit 6 – 7, 15F Shuion Center, n° 374 – 2 Beijing Road, Yue Xiu District, 510030 Guangzhou
	Givaudan Flavors (Shanghai) Ltd Chengdu Branch	Room 2001, 20F Funian Plaza-2, n° 666 Jitai Road, Gaoxin District, 610041 Chengdu, Sichuan Province
	Givaudan Fragrance (Changzhou) Ltd	N°2 Chun Cheng Road, Chun Jiang Town, Xin Bei District, Changzhou,213033, Jiangsu Province
	Givaudan Flavors (Shanghai) Ltd Zhengzhou Branch	Room 1301, Unit 1, Building 2, Greenland New Metropolis, No.80 Jinshui East Road, Zhengdong New District, Zhengzhou, 450046 Henan
	Givaudan Hong Kong Ltd	Unit 1001, 10 F Miramar Tower, 132 Nathan Road, Tsim Sha Tsui Hong Kong
	D. D. Williamson Ingredients (Shanghai), Ltd.	3823 Jiang Cheng Road, 200245 Shanghai
Colombia	Givaudan Colombia SAS	Carrera 98 n° 25 G – 40, 151196 Bogotá D.C.
Czech Republic	Givaudan CR, s.r.o.	Klimentská 10, Praha 110 00
Egypt	Givaudan Egypt SAE	Piece 37, Industrial Zone 3, 6th of October City
	Givaudan Egypt Fragrances LLC	46 El Thawra St., 3rd floor, Appt 304, Heliopolis
Eswatini	DDW, The Color House	Smithco Industrial Park #19, King Mswati III Avenue, Plot 471, Matsapha M202
Finland	Givaudan International SA, Branch in Finland	Niemenkatu 73, 15140 Lahti

Country	Legal Entity name	Address
France	Givaudan France SAS	46 avenue Kléber, 75116 Paris
	Expressions Parfumées	4 rue Lord Byron, 75008 Paris
	Expressions Parfumées	4 rue Lord Byron, 75008 Paris
	Givaudan France SAS	55 rue de la Voie des Bans, 95102 Argenteuil Cedex
	Givaudan France SAS	19–23 rue de la Voie des Bans, 95102 Argenteuil Cedex
	Activ International SAS	16 rue Henri Becquerel, BP 525 – ZI Mitry Compans, 77295 Mitry Mory
	Givaudan France SAS	Route de Bazancourt, 51110 Pomacle
	Givaudan France SAS	Anse du Pors Gelin, 22560 Pleumeur Bodou
	Givaudan France SAS	3 Rue des Satellites, 31400 Toulouse
	Expressions Parfumées	136 Chemin de Saint-Marc, 06130 Grasse
	Naturex SA	250 rue Pierre Bayle – BP 81218 – 84911 Avignon Cedex 9
	Naturex SA	Actiparc de Pont de Vaux /Les Chapelles Sud – 01190 Reyssouze
	Albert Vieille SAS	St Jean Baptiste 629 Route de Grasse, 6220 Vallauris
	Alderys	Bâtiment Mélèze, 86 rue de Paris, 91400 Orsay
	Myrissi	ENSG, 2 rue du Doyen Marcel Roubault, 54500 Vandoeuvre lès Nancy
	Myrissi	Station F – 5, Parvis Alan Turing, Paris 13th
Germany	Givaudan Deutschland GmbH	Giselherstrasse 11, 44319 Dortmund
	Givaudan Deutschland GmbH	Lehmweg 17, 20251 Hamburg
	Naturex GmbH	Im Zollhafen 24, Kranhaus Süd, 50678 Köln
	Givaudan Deutschland GmbH	Oberdiller strasse 18, 82065 Baierbrunn
Guatemala	Givaudan Guatemala SA	Boulevar Los Proceres 18, Calle 24 – 69 Zona 10, Empresarial Zona Pradera, Torre 1, Oficiana 1201-01010
Hungary	Givaudan Hungary Kft	Királyhegyesi út 3, 6900 Makó
	Givaudan Business Solutions Kft[1]	Bence utca 1., Váci Greens B, 1138 Budapest

Country	Legal Entity name	Address
India	Givaudan (India) Pvt Ltd	Plot no. 168/28 & 29 & 30, Dabhel Village, Daman 396210
	Givaudan (India) Pvt Ltd	13th floor, Prestige Meridian 1, n° 29 M.G. Road, Bangalore 560001
	Givaudan (India) Pvt Ltd	401 Akruti Centre Point, 1, 4 & 5th Floors, MIDC Central Road, MIDC, Andheri (East), Mumbai 400093
	Givaudan (India) Pvt Ltd	B Block, Ground Floor, Vatika Atrium, Sector 53, Gurgaon 122001, Haryana
	Givaudan (India) Pvt Ltd	Plot number H/2,MIDC Ranjangaon Industrial area, Phase II, Taluka Shirur, District Pune, Pune 412209
		Plot No. 26, 2nd Cross Jigani Industrial Area, Anekal Taluk, Jigani, Bangalore, Karnataka 560 105
	Naturex SA	Plot n°15/2, MIDC Dhatav Roha Roha Raigarh Mumbai 402116
Indonesia	PT. Givaudan Indonesia	Jl. Raya Jakarta-Bogor Km 35, Cimanggis Depok, 16951 West Java
	PT. Givaudan Indonesia	Capital Place, 9th floor, Jl. Jend. Gatot Subroto Kav. 18, 12710 Jakarta
	PT Fragrance Oils Indonesia	Rukan Permata Senayan blok B-22. Jalan Tentara Pelajar, Senayan, 12210 Jakarta
Ireland	DDW, The Color House	Unit D, Island Corporate Park, Little Island, Co. Cork T45 F673
Italy	Givaudan Italia SpA	Via XI Febbraio 99, 20090 Vimodrone (MI)
	drom international Italia S.R.L.	Via Valassina 24, 2015 Milan
	Expressions Parfumées	Via Varesina 162, 20156 Milan
	Naturex SpA	Via Galileo Ferraris, 44, 21042 Caronno Pertusella (VA)
Ivory Coast	Givaudan International. SA Côte d'Ivoire	Immeuble RMO, 5ème étage, rue du Docteur Blanchard, Zone 4C, Abidjan
	ITRAD	Abidjan Yopougon, Chaumière du Banco, 04 BP 1682, Abidjan
Japan	Givaudan Japan K.K.	3014–1 Shinohara-cho, Yokohama-shi, Kanagawa 222-0026
	Givaudan Japan K.K.	3056 Kuno, Fukuroi-shi, Shizuoka 437-0061
	Givaudan Japan K.K.	3–6–6 Tokiwa New Building, Osaki, Sinagawa-Ku, Tokyo 141-0032
	Naturex KK	NBC MITA Building 7F, 5–29–18, Shiba, Minato-ku, Tokyo 108-0014
Kenya	Givaudan MEA FZE – Kenya	Vienna Court, Ground floor, West Wing Building, State House Crescent Road, P.O. Box 44168-00100 Nairobi
Korea (Republic of)	Givaudan Korea Ltd	11/F Trust Tower Bldg, 60 Mabang-ro, Seocho-Gu, Seoul 06775
	Givaudan Korea Ltd	12/F Trust Tower Bldg, 60 Mabang-ro, Seocho-Gu, Seoul 06775

Country	Legal Entity name	Address
Malaysia	Givaudan Flavours & Fragrances Malaysia Sdn. Bhd	A-901 Menara 1, Kelana Brem Towers, Jalan SS 7/15 (Jalan Stadium), 47301 Petaling Jaya Selangor Darul Ehsan
	Givaudan Flavours & Fragrances Malaysia Sdn. Bhd	N° 121, Jalan Usaha 10, Kawasan Perindustrian Ayer Keroh, 75450 Malacca
	Givaudan Business Solutions Asia Pacific Sdn Bhd [1]	1 First Avenue, Banda Utama, level 12, Bandar Utama, PJU 6, 47800 Petaling Jaya, Selangor
	Fragrance Oils (Malaysia) Sdn Bhd	Suite 733, Block B2, Level 7, Leisure Commerce Square 9, Jalan PJS 8/9, 46150 Petaling Jaya, Selangor
	DDW, The Color House	PLO 221, Jalan Bakau 6, PLO 221, Jalan Bakau 6, 81700 Pasir Gudang, Johor Bahru, Johor
Mexico	Givaudan de México SA de CV	Av. Eje Norte-Sur n° 11 Civac, 62578 Jiutepec Morelos
	Givaudan de México SA de CV	Lago Alberto 319, Piso 12, Col. Granada, 11520 Del. M. Hidalgo, Ciudad de México
	Givaudan de México SA de CV	Givaudan de México SA de CV, Camino a Quintanares Km. 1.5, Pedro Escobedo, 76700 Queretaro
	Givaudan de México SA de CV	Av. San Jerónimo 369 P-9, Tizapán San Ángel, 01090 Álvaro Obregón, CDMX
	Oxiquimica, Sapi de CV	Corredor Industrial Quetzalcoatl, n° 6, San Baltazar Temaxcalac, 74126 Puebla
	Ungerer Mexico S. de R. L. de C.V.	Carr. Costera del Pacifico Km. 63, Villa de Tututepec de Melchor Ocampo, 71803 Tututepec, Oaxaca
Morocco	Givaudan MEA FZE Morocco Branch	8 rue Ibnou Binna Aladdadi, Bourgogne, 20053 Casablanca
	Naturex Maroc SA	Technopole ONDA – BP 42 – 20240 Nouasser – Casablanca
Myanmar	Givaudan Singapore Pte Ltd (Myanmar Branch)	46A – 2C Excellent Condo, Pantra Street, Dagon Township, Yangon
Netherlands	Givaudan Nederland B.V.	Huizerstraatweg 28, 1411 GP Naarden
	Givaudan Nederland B.V.	Nijverheidsweg 60, 3771 ME Barneveld
	Vika B.V.	Nizolaan 4, 6718 ZC Ede
Nigeria	Givaudan (Nigeria) Limited	Plot 2 and 4, Block D, Amuwo Odofin Industrial scheme, Apapa/Oshodi Expressway, Lagos
	Givaudan (Nigeria) Limited	Suite 4, 7th floor, Nestoil tower, 41-42 Akin Adesola Street, Victoria Island, Lagos
	Fragrance Oils (West Africa) Limited	A2 Billings Way, Oregun, Lagos
Pakistan	Givaudan International SA Pakistan	25th floor, Ocean Tower, Block 9, Clifton, Karachi – 75600
Peru	Givaudan Peru SAC	Av. Victor Andrés Belaúnde 147, Centro Empresarial Real, Torre Real 1 Piso 11, San Isidro 27, Lima
Philippines	Givaudan Singapore Pte Ltd, Regional Operating Headquarter	37/F Robinsons Equitable Tower, ADB Avenue corner Poveda Street, Ortigas Center, Pasig City 1605
Poland	Givaudan Polska Sp. z o.o.	Ul. Puławska 182, IO-1 Building, 02-670 Warszawa
Russian Federation	Givaudan Rus LLC	Riverside Towers Business Centre, Kosmodamianskaya Naberezhnaya 52/5, 115054 Moscow
	Givaudan Rus LLC	Delovoy dom B-5, floor 9, Botanicheskiy pereulok 5, 129090 Moscow
	Naturex LLC	Shuhova Str, 14, building 9, Office 201, 115162 Moscow

Country	Legal Entity name	Address
Singapore	Givaudan Singapore Pte Ltd	1 Woodlands Avenue 8, Singapore 738972
	Givaudan Singapore Pte Ltd	1 Pioneer Turn, Singapore 627576
	Givaudan Singapore Pte Ltd	19 Chin Bee Road, Singapore 619833
	Fragrance Oils (Far East) Pte.Ltd	510 Thomson Rd, #04-01 SLF Building, Singapore 198135
South Africa	Givaudan South Africa (Pty) Ltd	9 – 11 Brunel Road, Tulisa Park, Johannesburg 2197
	Givaudan South Africa (Pty) Ltd	51A Galaxy Avenue, Linbro Business Park,Frankenwald, Sandton 2065
Spain	Givaudan Ibérica, SA	Pla d'en Batllé s/n, 8470 Sant Celoni, Barcelona
	Givaudan Ibérica, SA	Plaça d'Europa 2-4 3ª Planta, Hospitalet de Llobregat, 08902 Barcelona
	Expressions Parfumées Iberica	Plaça Europa 9-11; Plta 17, Torre Inbisa, 8908 L'Hospitalet de Llobregat, Barcelona
	Naturex Iberian Partners, S.L.U	Autovía A3, salida 343. Camino de Torrent s/n – 46930 Quart de Poblet
	Aromasur SL	Carretera Santa Olalla, KM 1; 41240 Almaden de la Plata, Seville
Sweden	Givaudan North Europe AB	Hyllie Vattenparksgata 12, 215 32 Malmö
	Swedish Oat Fiber AB	Båtafjordsvägen 12, 432 63 Bua
Switzerland	Givaudan SA	c/o Python, Baarerstrasse 21, 6300 Zug
	Givaudan Schweiz AG	Zweigniederlassung Dübendorf 138, Neugutstrasse 46, 8600 Dübendorf
	Givaudan International AG	Zweigniederlassung Dübendorf 138, Neugutstrasse 46, 8600 Dübendorf
	Givaudan Schweiz AG	Kemptpark 50, 8310 Kemptthal
	Givaudan International AG	Kemptpark 50, 8310 Kemptthal
	Givaudan Suisse SA	Chemin de la Parfumerie 5, 1214 Vernier
	Givaudan International SA	Chemin de la Parfumerie 5, 1214 Vernier
	Givaudan Suisse AG	Industriestrasse 8A, 8604 Volketswil
	Naturex AG	Kirchbergstrasse 211, 3400 Burgdorf
	Naturex AG	Industriestrasse 8, 9220 Bischofszell
Taiwan	Givaudan Singapore Pte Ltd, Taiwan Branch	7/F, n° 303, Hsin Yi Road, Sec 4, Taipei City, Taiwan 106
Thailand	Givaudan (Thailand) Ltd	719 KPN Tower, floor 16 & 25, Rama 9 Road, Bangkapi Huaykwang, Bangkok 10310
	Expressions Parfumées	25 Bangkok Insurance Building, 23rd Floor, Sathon Tai Road, Kwang Thung Maha Mek, Khet Sathon, Bangkok 10120

Country	Legal Entity name	Address
Turkey	Givaudan Aroma ve Esans Sanayi ve Ticaret Ltd. Sirketi	Ebulula Cad. Lale Sok., Park Maya Sitesi Barclay 19A Daire 6–7, Akatlar, Besiktas / Istanbul 34335
	Givaudan Aroma ve Esans Sanayi ve Ticaret Ltd. Sirketi	Büyükdere Cad. Telpa Plaza., n° 195 K.3, Levent, Istanbul 34394
	Expressions Parfumées, Turkey Liason Office	Edin&Suner Plaza, Meydan sok n°14/2B, 34335 Akatlar Istanbul
UAE	Givaudan Gulf Trading LLC	Concord Tower, floor 20 & 36, Media City, Dubai
	Givaudan Middle East & Africa FZE	Jafza Views 18, Office NO LB180502, PO Box 33170, Jebel Ali, Dubai
	Expressions Parfumées	Hamsa-A Bldg, Office 210, Khalid Bin Al Waleed St., Dubai
United Kingdom	Givaudan UK Ltd	Magna House, 76–80 Church Street, Staines, Middx. TW18 4XR
	Givaudan UK Ltd	Chippenham Drive, Kingston, Milton Keynes MK10 OAE
	Givaudan UK Ltd	Kennington Road, Ashford, Kent TN24 0LT
	Fragrance Oils (International) Ltd	Eton Hill Industrial Estate, Eton Hill Road, Radcliffe, Greater Manchester M26 2FR
	Givaudan UK Ltd	Higham Business Park, Bury Close, Higham Ferrers, Rushden NN10 8HQ
	Givaudan UK Ltd	Park Road, Overseal, Swadlincote, Derbyshire DE12 6JX
	Ungerer Ltd	Sealand Road, Sealand Industrial Estate, Chester, England CH1 4LP
	DDW, The Color House	Third Avenue, Centrum 100, Burton Upon Tren, Staffordshire DE14 2WD
	DDW, The Color House	Guinness Road, Manchester M17 1SD
Ukraine	Givaudan International SA, Representative Office	Pimonenko Str. 13 6B/18, 04050 Kyviv

Country	Legal Entity name	Address
United States of America	Givaudan Flavors Corporation	580 Tollgate Road, Suite A, Elgin, IL 60123
	Givaudan Flavors Corporation	1199 Edison Drive 1 – 2, Cincinnati, OH 45216
	Givaudan Flavors Corporation	245 Merry Lane, East Hanover, NJ 07936
	Givaudan Flavors Corporation	9500 Sam Neace Drive, Florence, KY 41042
	Givaudan Flavors Corporation	4705 U.S. Highway 92 East, Lakeland, FL 33801-3255
	Givaudan Flavors Corporation	100 East 69th Street, Cincinnati, OH 45216
	Givaudan Flavors Corporation	195 Alexandra Way, Carol Stream, IL 60188
	Givaudan Flavors Corporation	256 Lackland Drive East, Middlesex, NJ 08846
	Givaudan Flavors Corporation	5 ConAgra Drive, Omaha, NE 68102
	Naturex USA California	895 Dove Street, Newport Beach, CA 92660
	Naturex DBS	39 Pleasant Street – Sagamore, MA 02561
	Naturex Inc.	375 Huyler Street, South Hackensack, NJ 07606
	Vegetable Juices Inc	7400 S Narragansett Ave, Bedford Park, IL 60638
	Vika B.V.	10000 Highway 55, Minneapolis, MN 55441
	Givaudan Fragrances Corporation	International Trade Center, 300 Waterloo Valley Road, Mount Olive, NJ 07828
	Givaudan Fragrances Corporation	40 West 57th St. 11th and 17th floors, New York, NY 10019
	Givaudan Fragrances Corporation	717 Ridgedale Avenue, East Hanover, NJ 07936
	Givaudan Fragrances Corporation	5 Jacksonville Road, Towaco, NJ 7082
	Ungerer & Company	110 North Commerce Way, Bethlehem, PA 18017
	Ungerer & Company	4 Ungerer Way, Lincoln Park, NJ 07035
	DDW, The Color House	1901 Payne Street, Louisville, KY 40206
	DDW, The Color House	100 South Spring Street, Louisville, KY 40206
	DDW, The Color House	815 W Sunset Road, Port Washington, WI 53074
	Custom Essence	53 Veronica Avenue, Somerset, NJ 08873
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Our reporting suite

The 2023 Integrated Report on economic and ESG performance is the primary report to shareholders offering a holistic explanation of our value creation, financial and non-financial capitals and performance.

The Governance, Compensation and Financial report is available in PDF. Our website hosts the Digital Integrated Report.

Our different reports and the website are closely connected and reference each other. Readers are advised to consult our entire reporting suite to get a complete overview.

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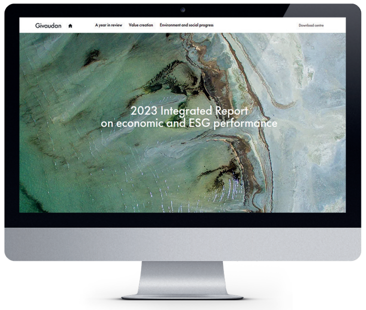

2023 Governance, Compensation and Financial Report
PDF available in English
from 25 January 2024

2023 Givaudan and ESG
PDF available in English
from March 2024

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