

Givaudan<sup>®</sup>

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SENSES

# Givaudan's Efforts to Eradicate Child Labour, Human Trafficking and Slavery from its Direct Supply Chain

(compliance with California Transparency in Supply Chain Act 2010 CA Bill S.657)

As the leader in developing sustainable fragrances and flavours, Givaudan is committed to adhering to high ethical standards in business conduct, compliance with laws and regulations, as well as with company policies, practices, and procedures. This commitment includes our customers, suppliers, shareholders, competitors, government agencies, our more than 8,500 employees, and the communities in which we live and work. Within the Givaudan organisation, the Principles of Business Conduct is a governing charter for ethical behaviour including, amongst others, the fair treatment of employees with mutual respect and without any form of discrimination. These Principles also outlaw all forms of exploitation of children, including by suppliers, and stipulate that Givaudan will not provide employment to children before they have completed their compulsory education. We will also not knowingly do business with suppliers that use child labour. More details about our Principles of Business Conduct can be found at [www.givaudan.com/Our+Company/Corporate+Governance/Rules+and+Policies](http://www.givaudan.com/Our+Company/Corporate+Governance/Rules+and+Policies).

Operating a sustainable business model is central to our corporate vision. This means meeting the needs of the planet, including the people living on it, while running a viable, profitable business. We carry out these commitments in variety of ways. Most notably, we are at the forefront when it comes to sustainability. We seek to purchase raw materials responsibly by sourcing in ways that preserve our environment, stimulate the development and well-being of communities, and safeguard an efficient use of precious resources. We use over 14,000 different ingredients from more than 60 countries in our flavour and fragrance products. We select and audit our suppliers on their sustainability performance to ensure they are in compliance with Givaudan's high ethical standards and their own local laws, and that they are not using child labour, slaves, or those subjected to human trafficking.

Givaudan is a signatory to the United Nations Global Compact (UNGC), which is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment, and anti-corruption. Principle 4 seeks the 'elimination of all forms of forced and compulsory labour'. Principle 5 seeks the 'effective abolition of child labour'. More details about the United Nations Global Compact can be found at [www.unglobalcompact.org](http://www.unglobalcompact.org).

Givaudan is also a participant in the Supplier Ethical Data Exchange (SEDEX), a member-based organisation whose goal is to drive improvements in ethical and responsible business practices in global supply chains. A core principle of the SEDEX model is the avoidance of unfair or unsafe labour practices, which includes slavery and human trafficking. For more details, see [www.sedexglobal.com/about-sedex/](http://www.sedexglobal.com/about-sedex/).

Givaudan takes seriously its membership in these two organisations and has incorporated many of their principles into our every day operations. Our latest Sustainability Report can be found at: [www.givaudan.com/Sustainability/Publications](http://www.givaudan.com/Sustainability/Publications).

It goes into more detail about our efforts to make sure our suppliers comply with local laws and our high ethical and business standards and meet the UNGC and SEDEX standards. For example, by 2015, we have committed to ask 200 of our 400 top suppliers to have joined the SEDEX programme. We are also committed to conduct audits of 200 suppliers by 2015, as well. A small number of our suppliers are already SEDEX members. As part of our outreach to the rest of our suppliers, Givaudan is requesting they complete the comprehensive SEDEX self-assessment questionnaire. The results of the SEDEX questionnaire, as well as the supplier's approach towards child and forced labour, freedom of association, and discrimination will be included in the verification of the existing supplier auditing programme. To date, all supplier audits have been announced and conducted by internal teams specially trained to conduct these audits.

In the future, audits will continue to be announced. However, the internal audits will be complemented by audits conducted by third parties relying on the SMETA (SEDEX Members Ethical Trade Audit) methodology, which is a compilation of best practices in ethical trade audit techniques. This approach is expected to help the auditors conduct high-quality audits accepted by multiple retailers and brands, which will then reduce the duplication of effort in ethical trade auditing. The resulting audit reports are expected to include observations, non-compliances, and examples of good practices. With these audits, as with our own corporate philosophy, zero tolerance is our standard. As such, any contractors or employees who are found to violate local laws or our high ethical and business standards are subject to immediate termination. Further, among our key performance indicators, we have included communicating with all our suppliers about procurement requirements relating to social responsibility and accountability. We are also developing third-party certification projects for our raw materials sourcing.

A key component of our sustainability program is delivering benefits to local communities. One of those benefits is making education available to more children. We do so by a variety of means, including the schools we are building in certain African locations. We also provide school supplies in many locations. Similarly, our 'Zero is possible' programme is designed to make sure our employees are aware of their own safety and the safety of those around them. Our Sustainability programme also benefits from coordination by the Sustainability Project Management Organisation, internal specialists in corporate responsibility and sustainability who guide and coordinate the development and implementation of our sustainability strategy. These steps are also significant contributions to the effort by Givaudan to combat slavery and human trafficking.

In the context of becoming a signatory of the UNGC, Givaudan's global purchasing function has revised its vendor expectation document, specifically stating that, as a signatory to the UNGC, Givaudan holds itself to high ethical and social standards regarding human rights, labour standards, and anti-corruption, and that it has the same expectations of its vendors and manufacturers. More details about our Global Vendor Management Programme can be found at: [www.givaudan.com/vgn-ext-templating/v/index.jsp?vnextoid=6c8761aa3bdf8210VgnVCM1000004a53410aRCRD](http://www.givaudan.com/vgn-ext-templating/v/index.jsp?vnextoid=6c8761aa3bdf8210VgnVCM1000004a53410aRCRD). We have similarly updated our purchase order forms. In combination, these documents provide direct confirmation from our suppliers attesting to their compliance with our high ethical and business standards and their local laws.

Finally, we provide training to the relevant personnel directly responsible for supply chain management particularly with respect to mitigating risks within our supply chains.

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