



# Good governance

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# Risk management

## Taking the right risks knowingly



We have robust structures and processes in place to ensure the effective management of risks to our business, and are committed to the highest ethical standards in the conduct of our business.

The pace of change has increased markedly in our industry in recent years, and it is critical that our efforts in risk management and compliance keep up with and even anticipate these changes. However, efficiency and effectiveness in these areas also allows us to identify business opportunities to the benefit of all stakeholders.

### Enterprise Risk Management

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

Enterprise Risk Management (ERM) is the process of assessing, treating and monitoring the effects of uncertainty that may affect the attainment of Givaudan's objectives, especially its publicly stated strategic objectives, or jeopardise Givaudan's long-term business success. Managing risk is an integral part of Givaudan's business. We operate a structured system of identifying, assessing and deciding on responses to mitigate key risks. Givaudan seeks to consciously take the appropriate amount of risk, to manage these risks competently at the right level of the organisation, and to seize related business opportunities.

The Board of Directors is responsible for defining and approving the ERM approach. Execution of the overall ERM process is delegated to the Executive Committee.

### Principles and responsibilities

Our ERM approach is based on our Enterprise Risk Management Charter, which was updated by the Board of Directors in 2017. The approach is compliant with applicable laws, SIX Directives, the Swiss Code of Best Practice for Corporate Governance and in line with best practice. Givaudan uses the COSO ERM: 2016 framework and ISO 31000 as references.

The ERM Charter describes the ERM principles, framework, process and methodology and governance and defines the associated roles and responsibilities and corresponding delegated authorities. It also lays down the framework for the reporting mechanism.

The chart outlined on the next page describes the respective roles and responsibilities of each function.

ERM applies to the Flavour and Fragrance businesses, as well as to support functions. It reviews all types of risks (threats and opportunities) in terms of their nature, their source and their consequences. For the top Company risks, the consequences are stated in terms of impact on the EBITDA of the Group.

### Givaudan's principle-based approach to risk management:

Pragmatic and tailored to the Company
Aims at value creation and protection
Integral part of processes and decision making
Addresses uncertainty explicitly
Structured, dynamic, iterative and responsive to change
Based on the best available information

Givaudan's ERM contributes to:

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

The annual ERM process includes the following steps:

- a structured and comprehensive identification and compilation of essential threats and opportunities on the basis of an overall risk universe, which includes internal and external benchmarks
- analysis and assessment of the threats and opportunities so identified and determination of their likelihood of occurrence and corresponding impact to understand the underlying risk drivers

- formulation of the appropriate measures to exploit an opportunity and/or respond to a threat and
- tracking and reporting of risks and risk response actions.

Givaudan's management is accountable for ensuring risks are appropriately and adequately identified and analysed in a timely manner. Risk response actions are taken at individual and combined levels. Management reports annually on the status of the risks and risk response actions to the Board of Directors.

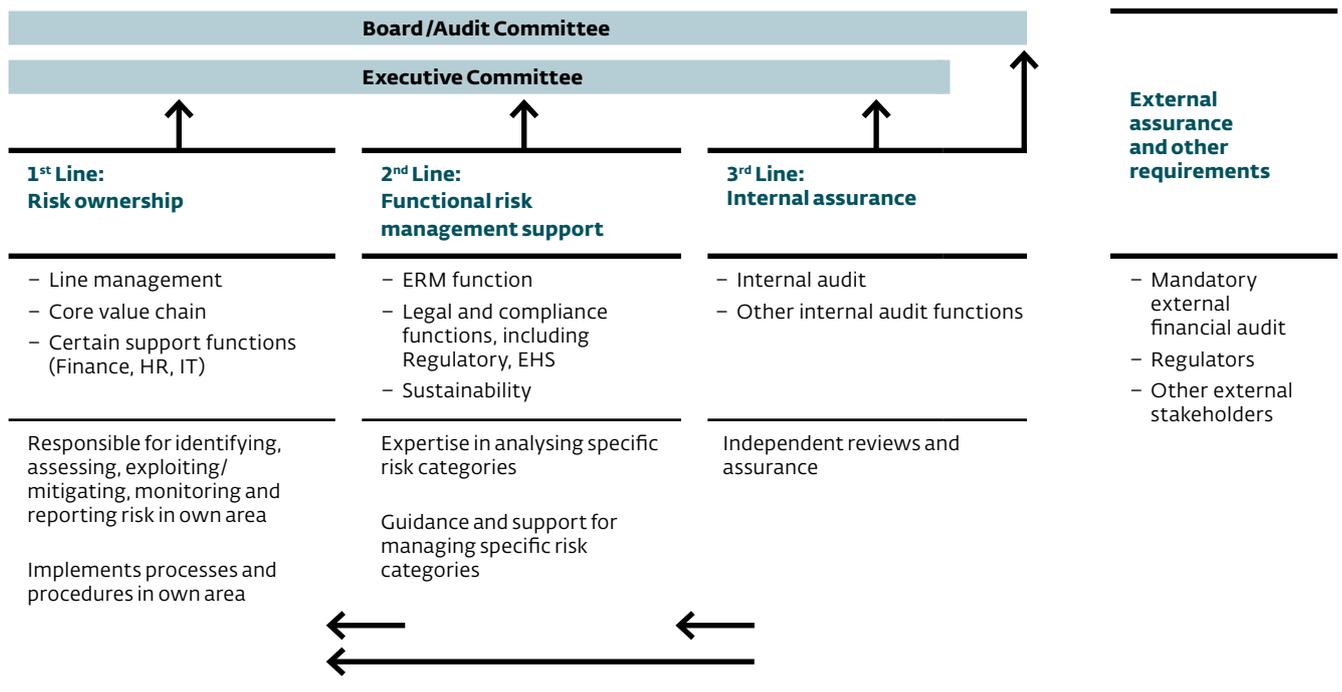
The annual assessment and management process is coordinated by the Corporate Compliance Officer. Corporate Internal Audit provides assurance on the effectiveness of the risk management process.

At the strategic level, a member of the Executive Committee is designated as the risk owner for each top Company risk. He or she has the responsibility for managing the risk on a Group-wide basis. Risks below the level of top risk are clustered by risk area.

Each cluster also has an Executive Committee member as its owner, though the actual risks are owned at the appropriate level of management.

🔍 page 111, 2018 Governance report

**Enterprise Risk Management Framework**



## Risk categories

In 2018, Givaudan continued monitoring and mitigation of the risks identified in the in-depth risk review process in 2017.

The current major risk areas continue to include the following:

### Strategic risks

#### Business model risk

Our business model might become obsolete, specifically through the advent of digitalisation.

#### Risk of changes in consumer preferences

Consumers may change their preferences for products with fragrances and/or flavours they want to consume and how they acquire them.

#### Customer risk

Changes at our customers may change their way of working with us and may negatively impact our own strategy.

#### Competition risk

Changes in behaviour of existing competitors or new entrants may change the competitive landscape, in particular in relation to new business models. This may impact negatively on Givaudan's competitive position in one or more markets.

Givaudan addresses these strategic risks by monitoring the competitive landscape, regularly reviewing its own business model and strategy, managing relationships with its customers, and gathering consumer intelligence.

### Sustainability risks

#### Risk of climate change / water scarcity

Climate change may lead to a number of effects which in turn impact our ability to operate. These may include water scarcity at one or more of our manufacturing sites or issues with our supply, in particular the availability of our key natural resources. As such, climate change poses a significant risk for Givaudan, but it also presents an opportunity to adapt its processes and act to mitigate the effects.

We address climate change risk through a comprehensive programme designed to minimise our impact on climate change and move to a low carbon economy:

- We are fully committed to excellence in climate action and are implementing an ambitious agenda to take action for the environment across our operations and beyond. We have built our climate action agenda on ambitious GHG emission reduction targets. Givaudan's targets have been approved by the independent Science Based Targets initiative in alignment with the global effort to limit climate change.
- We continue to work to reduce the environmental impact of our activities. Our expertise in green chemistry and techniques such as biocatalysis enables us to make products

high in purity and yield, using less energy and fewer hazardous materials. We will continue to develop our capabilities in this area and seek to apply them at every opportunity in the future.

- Outside Givaudan, we involve our supply chain, from the raw material suppliers to indirect materials and service providers, in efforts to reduce their GHG emissions.
- Our innovation teams are also working on 'side-stream valuation', enabling us to use a larger part of the existing raw materials or re-use 'food waste' from our partners' facilities. This saves on energy to create raw materials and reduces the risk of sufficient supply, as Givaudan can 'do more with less'.
- Our Water Stewardship Programme ensures water risks are managed and monitored, and we are placing priority on places where water challenges are expected. In these areas we carry out risk assessments to develop water mitigation action plans, including efficiency improvements and water reuse opportunities.

 page 67, Acting for our environment  
 Disclosure 201-2

### Operational risks

#### Disruption / breakdown of operations

A breakdown of our operations may threaten our ability to produce and deliver quality products/services to competitive prices on a timely basis. Such breakdown may be caused by internal or external factors. Givaudan addresses this risk through a number of processes including structural architectural measures, behavioural measures and business continuity planning.

#### Disruption of supply chains / suppliers

A disruption in the supply of the raw materials we require for our production or volatility of raw material prices may negatively impact our ability to produce at competitive prices and in a timely manner. Such disruption may be caused by external factors such as climate change or a breakdown at one or more of our suppliers. Givaudan's procurement function has a process to

## POLITICAL RISKS

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While political as well as economic uncertainties are challenging in many parts of the world, we believe our business model and agility will enable us to continue to evolve and grow our business, and we remain optimistic about the outlook.

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monitor and manage supply chain risks arising from raw materials. Moreover, supply and price volatility are monitored through a cross-functional risk management process which is integrated with global supply chain management and enables us to mitigate raw materials sourcing risks.

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

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

Our Environment, Health and Safety (EHS) function regularly carries out comprehensive risk assessments at our production and major commercial sites. In 2018, the EHS Centre of Expertise continued to refine our process risk analysis methodology and capabilities in line with leading industry standards in order to identify actions and manage them internally using a proprietary EHS Management System with formally documented solutions and closure records. Its main focus is the chemical and powder handling processes. Also, to facilitate the management of specific EHS risks, the team has developed visual risk portfolios that show mitigation measures and progress on improvement actions.

Givaudan's growth path of organic expansion and acquisitions inevitably involves some essential large-scale projects. EHS, as a full team member, is involved from the beginning of each project to assess and minimise risks. Our EHS teams support the design of all new building activities so that, in EHS terms, the plants we build today use learnings from the past and are fit for the future. In 2018, a number of new technologies for environmental protection in the area of odour emissions control were successfully tested on our sites.

### **Information technology risk**

In a fast moving digital world, information and communication technologies are critical for Givaudan to address new consumer behaviours and to collaborate with its customers to give them the best experience. However, digitalisation also creates new threats and requires a permanent monitoring of information security risks and an extension of the risk assessment scope. In addition to continuously adapting its information and network systems, Givaudan focuses on extensive awareness programmes for all employees as critical stakeholders in the protection of the digital space.

### **Financial risks**

Please consult the Financial report regarding our financial risk management.

 page 139, 2018 Financial report

### **Legal and regulatory risks**

#### **Product quality / product safety risk**

A faulty product or one that is not compliant with regulations or is non-performing could expose Givaudan to consumer health issues, customer complaints, warranty claims, returns and re-runs, product liability claims or litigation and lead to loss of revenues, market share and business reputation. Our flavour and fragrance product safety and quality programmes are designed to ensure that all products are safe for consumer use. At the core of the programmes is a systematic evaluation of all ingredients for both human and environmental safety, as required, prior to their inclusion in our raw material palette. Products are created to comply with all appropriate end consumer product safety regulations in the markets in which they will be sold. Our global IT systems control product formulations in order to ensure that raw materials are used as intended when products are manufactured in our production facilities, which are certified to internationally recognised quality standards.

In addition, Givaudan supports, and in many cases leads, industry-wide programmes of the respective industry associations (the International Fragrance Association and the International Organization of the Flavor Industry) for ensuring the safe use of flavours and fragrances in consumer products.

#### **Legal and compliance risks**

Should our employees, especially key individuals within the organisation (Board members, Executive Committee members, senior management) display or tolerate behaviour that is illegal or unethical, this could lead to reputational as well as financial damage to Givaudan. The Corporate Compliance function undertakes regular assessments of Givaudan's legal and compliance risks at local and global levels and addresses any issues with the Executive Committee and the Audit Committee. Non-compliant behaviour is investigated and sanctioned in accordance with comprehensive procedures.

 Disclosure 102 – 11, pages 72 – 75

# Compliance

## Protecting our reputation



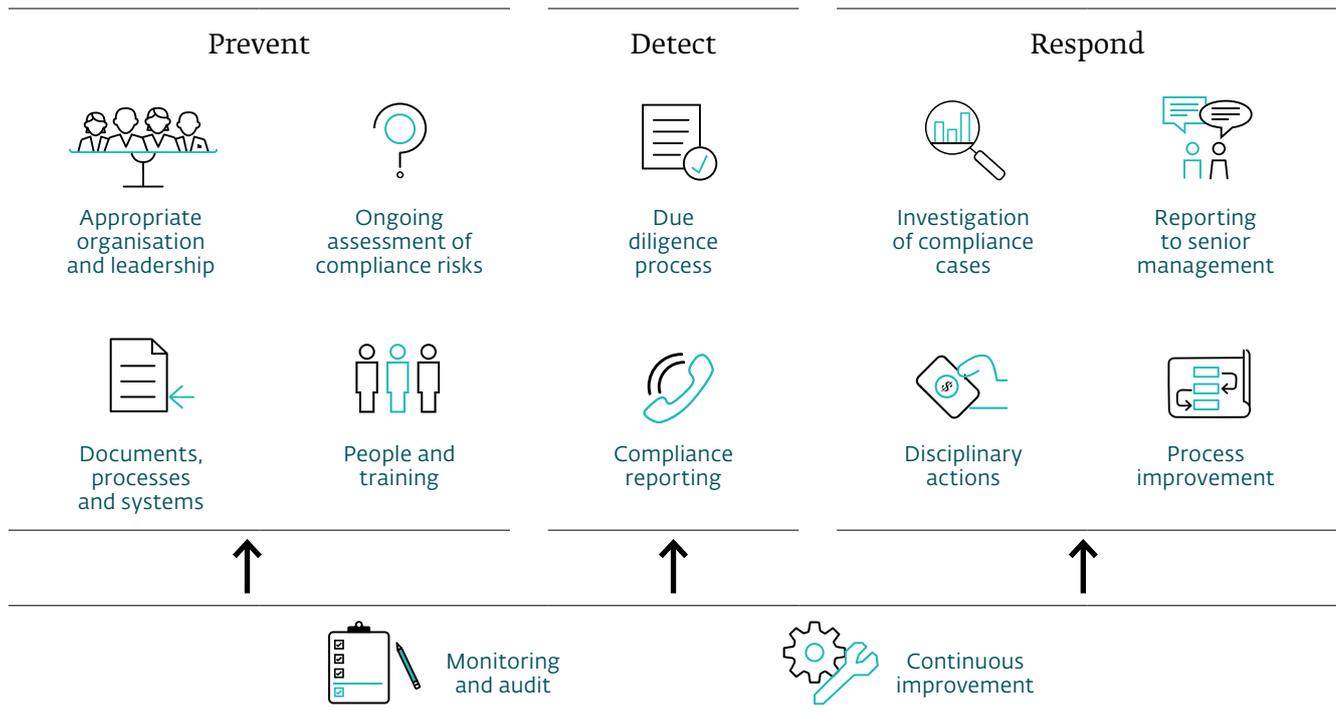
Givaudan’s good reputation and name has been built over a long and rich history.

To preserve it, we are committed to adhere to the highest ethical standards in the way we interact with all our stakeholders – customers, suppliers, shareholders, employees, competitors, government agencies and the communities in which we operate. Being open, transparent and honest in our dealings with these stakeholders allows us to grow responsibly and share our success.

### Principles of Conduct

The basis for Givaudan’s ethical standards is laid out in the Company’s ‘Principles of Conduct’, last reviewed and updated in 2018. The Principles of Conduct consist of three pillars: Legal & Ethical Business Dealings, Responsible Corporate Citizenship and Protecting Givaudan’s Assets.

The Principles also include a section on ‘How we live the Principles’, which reiterates each employee’s responsibility for ethics and integrity and explains the channels for reporting any violation of the Principles, including the worldwide Compliance Helpline. These ‘Principles of Conduct’, as well as any policies specifying any principle, are available in all 15 Company languages. The Principles of Conduct are supported and mirrored



by Givaudan's Responsible Sourcing Policy, a code of conduct for our suppliers to ensure that our partners abide by the same high standards we do. The Responsible Sourcing Policy includes a mechanism to report grievances.

🔍 [www.givaudan.com](http://www.givaudan.com) – our company – corporate governance – rules and policies [www.givaudan.com](http://www.givaudan.com) – our company – corporate governance – compliance

### Organisation and process

The Compliance and Ethics Programme is based on the compliance and fraud prevention concept of 'prevent – detect – respond'. The Corporate Compliance Officer oversees the administration of the Compliance and Ethics Programme and coordinates with dedicated functions for effective compliance management.

The Corporate Compliance Officer is assisted by a global compliance team and a network of local compliance officers and regional compliance coordinators to further enhance the function. The Group Data Protection Officer, reporting to the Corporate Compliance Officer, oversees the implementation of the Group Data Protection programme. In 2018, we passed and published a number of policies in the data protection area, including the Global Privacy and Data Protection Policy.

The Corporate Compliance Officer carries out regular compliance risk assessments with the local compliance officers and corporate functions.

The Company has a Group-wide Compliance Helpline system which allows employees to report suspected or actual misconduct or violations of the Company's policies on a confidential basis and without fear of retaliation. It also has a grievance mechanism as part of its Responsible Sourcing Policy to allow suppliers to bring grievances to the attention of Givaudan.

The Company has a compliance incident investigation procedure and process in place for investigations of compliance allegations received through any channel. Depending on the nature of the allegations, these cases are handled either locally or centrally. Where required, outside forensic support is sought.

Other compliance processes include the process for selection and engagement of third-party agents and distributors and the global supplier selection process of the Procurement organisation.

The Corporate Compliance Officer reports regularly to the Board of Directors, the Audit Committee of the Board, the Executive Committee and the CEO.

### Givaudan's Principles of Conduct

<b>Legal &amp; ethical business dealings</b>	Compliance with the law and Givaudan policies
	Bribery and corruption
	Gifts and entertainment
	Competition law
	Insider dealing
	Conflicts of interests
	Ethical conduct
<b>Responsible corporate citizenship</b>	Human rights
	Preserving the environment
	Diversity and fair treatment
	Fair employment standards and safe work environment
<b>Protecting Givaudan's assets</b>	Child labour
	Fraud against Givaudan
	Open communication
	Protection of confidential information and trade secrets, intellectual property
	Conduct in research, development, application and creation

Management of compliance with specific areas of operational compliance risk such as product safety/regulatory, trade affairs, environment, and occupational health and safety (EHS) is ensured by specific dedicated corporate functions.

🌐 **GRI** Management Approach (103 – 2, 103 – 3): Topic 205, 408, 409, 412, pages 76 – 77

### Anti-bribery management

The Principles of Conduct state that Givaudan has zero tolerance towards bribery and corruption, and does not make facilitation payments.

Most countries where Givaudan operates have strict anti-bribery laws, including the UK Bribery Act, the US Foreign Corrupt Practices Act, the French Loi Sapin 2 and anti-bribery laws and regulations of other countries where Givaudan either already does business or intends to do so.

Anti-corruption compliance is managed as part of the Givaudan compliance management system through the following instruments:

- Corruption is one of the risk areas regularly reviewed by the Corporate Compliance Officer as part of a compliance risk assessment.

- Corruption and inappropriate gifts and entertainments are prohibited in Givaudan's Principles of Conduct and they are addressed in more detail in the Global Anti-Bribery, Gifts, Entertainment and Hospitality policy, including the reporting of gifts and entertainment. Both documents are available to employees in all major Company languages.
- Givaudan has included corruption and gifts/entertainment in its basic compliance training for all permanent employees and issues specific anti-bribery training to selected employees.
- Givaudan discloses charitable contributions and sponsorship.
- As part of monitoring activities, the Compliance Helpline allows employees to report compliance issues in confidence. The helpline is open in all sites, and available in all major Company languages.
- Givaudan has a procedure for the selection and engagement of agents and distributors, which includes a formal due diligence review and minimum requirements for agent contracts and payments. In 2018, the Company worked on the automation of this process.

## DATA PROTECTION

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**Transparency, Compliance and Accountability – these are the pillars on which our Global Data Protection programme is built. The programme is designed to ensure that Givaudan collects and processes data in compliance with all applicable legislation, in particular with the new EU General Data Protection Regulation. To ensure awareness throughout the Company, all employees are required to complete specific data protection training.**

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### Training and monitoring

New mandatory compliance training on the updated Principles of Conduct was launched in 2017 to all employees worldwide. The training material is available as online training in all major Company languages and includes material on anti-bribery, corruption and corporate social responsibility. The completion rate currently stands at 85%.

Specific anti-bribery training also continued in 2018. Since 2013 5,395 senior managers have completed this training (out of 5,904 invited to take it). This group includes all members of the Executive Committee and other employees whose work involves regular and direct contact with external stakeholders.

In 2018 the Company continued to maintain and review its policies and processes to ensure compliance with changing applicable law. A focus area for 2018 was the implementation of the Company's data protection programme to ensure compliance with applicable data protection legislation.

 Disclosure 205 – 2

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[www.givaudan.com](http://www.givaudan.com) – our company – corporate governance – compliance

 Disclosure 102 – 16, pages 76 – 78  
 Management Approach (103 – 2, 103 – 3):  
 Topic 205, pages 77 – 78

# Regulatory

## Leading efforts to help shape the industry landscape



Health and safety is essential for all stakeholders and we ensure our products are safe for people and the environment when used as intended.

We are committed to the full regulatory compliance of all products and engage with customers in developing new technologies for healthier and more sustainable products. We work hand in hand with our customers to help them understand changes in the regulatory environment as well as the impact these changes will have on their consumer products.

### Regulatory within our Flavour Division

As we widen our interest from traditional flavours to areas such as food stuff and organics, our regulatory teams have been strengthened to enable value adding activities for our customers. These closer partnerships are, for example, helping them in regulatory interpretations and shaping labelling declarations.

Our offerings in these new areas have been strengthened through the knowledge and products gained from the Activ, Vika, Centroflora and Naturex portfolios, increasing our capabilities in the domains of naturals and functional ingredients. We also continued our work during the year to meet increasing customer demand for flavours that provide transparent and consumer friendly labels.

200 EMPLOYEES

Serving customers from over 25 locations, we have more than 200 employees working in flavour and fragrance regulatory, from scientists and toxicologists to experts in regulatory affairs.

Significant resources are committed to our advocacy efforts and we pride ourselves in leading the flavour industry in this. We know that customers would benefit from a global, harmonised list of approved ingredients and our advocacy work in 2018 continued towards this goal through the International Organization of the Flavor Industry (IOFI). In total we work together actively with over 30 local and regional trade associations worldwide and representations in all regions.

The increased testing requirements behind the European Union regulation concerning the Registration, Evaluation, Authorisation and restriction of Chemicals (REACH) as well as other regulatory bodies are resulting in stricter label needs. We have worked to ensure minimal disruption to our customers' businesses by providing them with timely and supportive communications which helped them adapt to the required changes.

### Regulatory within our Fragrance Division

After ten years of work and an investment totalling CHF 50 million, Givaudan completed the REACH registration phase on schedule in 2018. The Company is now fully REACH compliant and has registered over 300 substances. Work is now focused on defending materials in the evaluation phase of REACH.

Givaudan has taken an industry-leading position to ensure we work closely with our customers to enable the transparency of information of our products to consumers. We have, for example, led fragrance industry external advocacy efforts to support transparency legislation to be consistent with California SB 258, working with the Household & Commercial Products Association to engage stakeholders across the US. In New York State, we made similar representations regarding proposals on detergents, and we led the industry in California with the Personal Care Product Council to support the development of the Cosmetics Bill banning animal testing.

We also led the industry during the year to help define criteria for the Brazilian Biodiversity Regulation on the use of fragrance materials considered of Brazilian origin. Our Regulatory and Fragrance Ingredient management teams developed and implemented appropriate processes and controls to respect the use of materials of Brazilian biodiversity in our customers' products.

## Product labelling

Customers need to manage any environmental, health and safety (EHS) risks associated with the use of our ingredients and so it is vital we supply the necessary information for the proper handling of our products.

All the ingredients used in our formulas are evaluated for any EHS impact and this information is disclosed and filed with the relevant regulatory bodies whenever necessary. Quality and environmental data about our products, including safety information, are available through product labels and safety data sheets. The safety data sheets are available in more than 45 languages and are attached to every consignment and readily available to customers on request. For flavour products, information related to allergen, GMO, organic, nutritional and religious criteria can be provided.

**GRI** Management Approach (103 – 2, 103 – 3): Topic 416, 417  
Disclosure 416 – 1

### Product information requirements

The following product and service information is required by the organisation's procedures for product and service information and labelling

Topic	Yes	No
Sourcing	X	
Content	X	
Safe use	X	
Disposal	X	

100% of sold products delivered to our customers are subject to product information requirements and regulations.

**GRI** Disclosure 417 – 1

## Product safety

Product safety is of prime importance to Givaudan in ensuring the safety of employees, customers and consumers, as well as the environment.

This commitment was recognised with exceptional results in food safety audits at our site in Japan, which received the highest score in Givaudan so far during audits of the Food Safety System Certification (FSSC) 22000 and Food Safety Inspection (FSI). There were no non-conformities in the FSSC 22000 audit and only one minor finding was noted against the global standard during the FSI audit.

Sophisticated toxicological science is used in the Fragrance Division to ensure the safety of its materials, deployed for example in the REACH programme (see page 79). We do not use animal testing for safety assessments unless required to do so by law – REACH, for example, required certain products to be tested in this way. Givaudan is also committed to further developing non-animal test methods such as our KeratinoSens™ assay and the development of a fish gill assay for toxicity assessment in aquatic species. We continue to invest in this important area.

## Public policy

To help ensure the safe use of flavours and fragrances in consumer products, we support and in many cases lead the development of public policies that impact the flavour and fragrance industry and work with industry associations such as the International Fragrance Association (IFRA) and the International Organization of the Flavor Industry (IOFI).

We do not fund any political party in any country, and have an internal policy on charitable giving and community support that excludes any direct or indirect political donations or support.

# Corporate citizenship

## Pursuing socially responsible growth



We are aware of our obligations in making a difference where we can within our own operations, with our suppliers and in the communities in which we work.

In pursuing socially responsible growth, we are mindful of our duties and are committed to adhering to the highest ethical standards in interactions with our stakeholders. We are committed to respect for human rights wherever we do business and to provide safe and healthy working conditions for our employees, contractors and visitors. We strive to make a positive impact on the communities in which we are present.

### Guiding principles on human rights and child labour

Our actions and approach are aligned with international standards, and we fully support the UN Guiding Principles on Business and Human Rights.

The basis of our ethical standards, specifically Responsible Corporate Citizenship, can be found in our Principles of Conduct, which is supported by policies and guidelines. We expect every employee to take personal accountability for upholding our Principles in daily actions within their own sphere of influence and with business partners and stakeholders.

The initial phase of our three-step Human Rights Impact Assessment was completed in 2018. An initial high-level impact assessment conducted by a well-established human rights consultancy concluded that Givaudan already has a strong corporate culture and robust systems in place. It also showed that we are already addressing human rights impacts that are most salient to our industry, in particular the ones relating

to health, safety or child labour. In addition, the responsible sourcing projects have a very positive impact on communities located in sourcing countries. We are currently assessing the findings of the high-level assessment and in the second phase, we will consult with stakeholders to be able to take the steps necessary to further consolidate good practices throughout our value chain.

Furthermore, Givaudan is an active member of Sedex, a global platform which incorporates human rights risks in its assessments. Since 2010, all manufacturing sites have been registered on Sedex and completed Sedex self-assessment questionnaires, which we review each year. At the end of 2018, 39 of our production sites have been audited and 37 are compliant with the standards set by the Sedex Members Ethical Trade Audit (SMETA).<sup>1</sup>

All forms of child or forced labour are against our principles. This applies to employment within Givaudan and to the partners and suppliers with which we work. Our Principles of Conduct stipulate that we do not practice or tolerate any form of child exploitation or forced labour and that we do not provide employment to children before they have completed their compulsory education. This applies to employment within Givaudan and to the partners and suppliers with whom we work. In 2018, we were in compliance with these principles.

For business partners and suppliers, our Responsible Sourcing Policy specifies that suppliers must not use child labour (or forced labour) and are expected to comply with all reporting obligations regarding the abolition of child labour and human trafficking. Significant suppliers are assessed for risk and in 2018, 318 key raw material suppliers were registered with Sedex. These suppliers represent over 50% of our volume. We are working to ensure that all audited suppliers have closed any open non-conformities. At the end of 2018, our supplier audit compliance rate was 78%.

1. Our recently acquired production sites are not in scope.

 [www.givaudan.com](http://www.givaudan.com) – our company – corporate governance – principles of conduct

 Management Approach (103 – 2, 103 – 3): Topic 408, 409, 412 Disclosure 408 – 1, 409 – 1, 412 – 1

## Community engagement

Communities and neighbourhoods where we operate are critical to our long-term success. Our business can affect communities and these local stakeholders may in turn impact our activities. We actively develop and sustain relationships with communities and listen to community representatives to take their point of view into account, and integrate their feedback into our sustainability activities.

We promote the evolution of value chain systems into harmonised multi-stakeholder frameworks that bring benefit to all and encourage investment in sustainable development and innovation.

Every precaution is taken to operate safely in these communities while providing social and economic value and reducing our environmental footprint. As part of this commitment we develop and install effective technologies for odour abatement.

We also believe that each and every employee has the potential to make a change for the future of our planet and the well-being of the communities in which we work and live. The opportunity to make such contributions is available through our Green Teams which are active in the majority of our sites. Members of these teams are involved in voluntary sustainability projects in local communities as well as in internal programmes.

 [page 30, Our 2020 Strategy – Communities](#)

Alongside these efforts is the Givaudan Foundation, an independent non-profit organisation that initiates and supports projects, as well as grants donations, with a focus on three main areas in which Givaudan is already engaged and where the Company's expertise and experience can be leveraged to make a difference: communities at source, blindness and family nutrition. The Givaudan Foundation works closely with and relies on resources provided by Givaudan to conduct and monitor its projects.

We also contribute positive action to the communities in which we source. Further information can be found in our chapter on sourcing.

 [page 64, Communities at Source](#)

 [Management Approach \(103 – 2, 103 – 3\): Topic 203, 413 Disclosure 203 – 1, 413 – 1](#)

## GIVAUDAN FOUNDATION

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The Givaudan Foundation is a non-profit organisation created in 2013 as a result of Givaudan's desire to reinforce its commitment to the communities in which it operates. The foundation's purpose is to initiate and support projects as well as to grant donations in the areas defined by its vision and mission. It works closely with, and relies on, resources provided by Givaudan to conduct and monitor its projects.

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### Charitable giving

Local communities also benefit from our charitable giving. We monitor this spend at every site and have had an annual budget allocation process for charitable giving for all our sites since 2012.

This spend is controlled and consolidated by a sustainability controller. Every site manager is responsible for how the site budget is spent, and each of these managers has some freedom to allocate funding to local organisations providing they comply with Givaudan guidelines and local laws on non-profit organisations.

In 2018, the total spend on charitable giving for local communities was CHF 1.8 million.

 [Disclosure 102 – 16, pages 81 – 82](#)

