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 9,700 employees, and the 80+ 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. For these purposes, the term "supplier" refers to raw materials suppliers, indirect and direct suppliers and service providers.

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 10,000 different ingredients from more than 100 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”. Principal 5 seeks the “effective abolition of child labour”. More details about the United Nations Global Compact can be found at: 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/.
Givaudan is also a member of AIM-PROGRESS, a forum of leading consumer goods manufacturers, assembled to enable and promote responsible sourcing practices and sustainable supply chains. One of this organisation’s main goals is to provide a forum to exchange ideas regarding responsible sourcing practices, and includes focusing on human rights in global supply chains. More information about AIM-PROGRESS can be found at: http://aim-progress.com/.

Givaudan takes seriously its membership in these organisations and has incorporated many of their principles into our every day operations. Our latest Sustainability Report can be found at: www.givaudan.com/media/corporate-publications?keyword=&im_givaudan_publication_year=&im_givaudan_category=291. 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, AIM-PROGRESS and SEDEX standards. To further support this goal, we have formed dedicated origination teams based in various countries to facilitate sourcing natural ingredients directly from producers. By the end of 2014, nearly 150 of our suppliers had been audited and nearly 300 suppliers are members of SEDEX. For those that are not, Givaudan requires they complete the comprehensive SEDEX self-assessment questionnaire. The results of the SEDEX questionnaire, combined with input from our origination teams, and 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.

All supplier audits are announced and are conducted by third parties relying on the SMETA (SEDEX Members Ethical Trade Audit) 4 Pillars methodology, which is a compilation of best practices in ethical trade audit techniques.

This approach assists the auditors to 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 goods practices. With these audits, as with our own corporate philosophy, zero tolerance is our standard. As such, with any contractors or employees who are found to violate local laws or our high ethical and business standards, Givaudan has the right to terminate the relationship.

Givaudan conducts third party audits over the full range of its suppliers. We prioritise risk to determine the order in which to audit suppliers based on various risk factors, including country, dependence, reliability, business plan evolution, sales volume, distribution network, supplier size and relationship history. The resulting analysis leads to the vendor being considered high, medium or low risk, with suppliers deemed to be high risk receiving first attention. Absent changes in business circumstances, our audit cycle is five (5) years. However, any non-compliance discovered in any audit is followed by subsequent routine audits until compliance is established. Our recordkeeping policy includes the suppliers’ SEDEX questionnaire, audit reports or audit company reporting letters and evaluations/reports from our origination teams.

A key component of our Sustainability programme 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 built 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, money laundering and anti-corruption and expects its vendors and suppliers to meet these same standards. It has communicated these key principles to its vendors and suppliers in a revised vendor expectation document which was first published in 2014 and continues in current use. More details about our Global Vendor Management Programme can be found at: www.givaudan.com/specials/givaudan-vendor-management-programme.

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 involved in supply chain management particularly with respect to mitigating risks within our supply chains.
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