Compliance with California Transparency in Supply Chain Act

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As the leader in developing sustainable flavours and fragrances, 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 13,500 employees, and the 148 locations in which we live and work. Within the Givaudan organisation, the Principles of 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. More details about our Principles of Conduct can be found at: www.givaudan.com/our-company/corporate-governance/rules-and-policies.

Apart from our expectation that suppliers meet legal requirements, we also call on all of them to make continuous improvements in regard to our Responsible Sourcing Policy. The policy, published in 2016, sets out high standards in terms of health and safety as well as social and environmental responsibility and business integrity: www.givaudan.com/files/giv-responsible-sourcing-policy.pdf. For these purposes, the term "supplier" refers to raw materials suppliers, indirect and direct suppliers and service providers.

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) (Company Sedex Reference Number: ZC1035289) – where you can find Givaudan’s answers and data in terms of ethical behaviours. For more details, see www.sedexglobal.com/about-sedex/buyers-and-suppliers/list-of-members/. Sedex is 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. Givaudan leverages on participation in Sedex for managing responsible business practices at our own manufacturing sites as well as that of our main suppliers. 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 share best practices regarding responsible sourcing, 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 its membership in these organisations seriously and has incorporated many of their principles into our everyday operations. Our latest Sustainability Report can be found at: www.givaudan.com/media/corporate-publications.

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 use over 10,000 different ingredients from more than 100 countries in our flavour and fragrance products.

We are committed to working with suppliers who demonstrate respect for people and the environment. We seek to bring long-term stability to both our supply chains and to the communities from which we source through our Sourcing for Shared Value programme, we pursue a set of practices to ensure our materials are responsibly sourced, to secure a stable supply of our sourced materials and make sure that local producers and their communities truly benefit from working with us. That is why our approach is built around three distinct practices: Responsible Sourcing, Sourcing at Origin and Communities at Source.

Through Givaudan’s general terms of purchase or other commercial agreements, as a means of self-certification, vendors confirm that they comply with all laws and regulations including those related to human trafficking, minimum wage and working conditions and that their employees are in possession of appropriate authorisations and/or work permits.

With our Responsible Sourcing Programme, we target compliance and continuous improvement in our supply chains, based on our Responsible Sourcing Policy. We are working towards these goals through a two-pronged approach: we work with our main suppliers through site audits and we assess the full length of supply chains for strategic raw materials of natural origin.

More than 300 of our main suppliers are members of Sedex of which a selection of 200 suppliers have been audited on their sustainability performance in order to drive compliance with high ethical standards and their own local laws, and that they are not using child labour, slaves, or those subjected to human trafficking. The selection is based on various factors, including country risk, dependence, reliability and supplier size.

Audits of direct suppliers are announced and are conducted according to Sedex Members Ethical Trade Audit (SMETA), one of the most widespread ethical audit formats in the world, or by an equivalent protocol that can be used instead. Auditing suppliers accordingly allows them to benefit from a mutual recognition agreement among the members of the AIM-PROGRESS platform, avoiding audit duplication. Non-compliance discovered in audits is followed by subsequent remediation and audits until compliance is established. Our recordkeeping policy includes the suppliers’ Sedex questionnaire, audit reports or audit company reporting letters.

In addition to our main supplier audits, we aim to source raw materials with natural origin responsibly throughout their entire supply chain. We do this by collaborating with suppliers to identify best practices or agree on improvement plans when gaps in reference to the Responsible Sourcing Policy are found.

Sourcing at Origin focuses on direct collection networks and partnerships with farmers, distillers and producer groups. It secures the long-term and balanced supply of natural ingredients from fragile ecosystems while boosting the local economy through knowledge transfer and more stable incomes.
Social and environmental projects help build more secure futures for the Communities at Source and their environments. Depending on the challenges identified for a particular supply chain, the Communities at Source projects develop action plans in cooperation with the producers, suppliers and/or other organisations such as NGOs. We support projects in education, health and nutrition as well as good practice in agriculture and production. One of those benefits is making education available to more children. We do so by a variety of means, including the schools we support around the world, including in Madagascar, Laos, the Comoros islands and Haiti. We also provide school supplies in many locations.

Similarly, our EHS engagement programme “Everyone Home Safe everyday” is designed to make sure our employees aware of their own health and safety as well as the health and safety of those around them. Our Sustainability approach also benefits from coordination by the Sustainability Leadership Team, 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.

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