

Responsible Sourcing Policy



Givaudan

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Sourcing responsibly

Givaudan is committed to providing safe products of consistent quality that meet or exceed our customers' expectations, dealing ethically and respecting human rights wherever we do business. We are also committed to making a positive impact on the communities in which we are present and recognising our obligation to help preserve the environment.

Our suppliers are key partners in the sourcing of materials and services essential for our business, and strong partnerships are needed to shape differentiating products that better respond to accelerated consumer demand for more sustainable products.

To build a portfolio of responsibly sourced materials and services, sourcing must comply with certain health and safety, social, environmental and business integrity requirements. These have been prepared by consulting a number of internal and external stakeholders, customers and suppliers, including the United Nations Global Compact (UNGC), the International Trade Centre (ITC), The Forest Trust (TFT) and the Sustainable Agriculture Initiative (SAI).

We cannot achieve our responsible sourcing commitments without the full involvement of our suppliers, and we are confident they will engage with us in our striving for ethical dealing with all players in our supply chain and in our efforts to preserve the environment for future generations, wherever we source.

Gilles Andrier
Chief Executive Officer

Willem Mutsaerts
Head of Global Procurement

General principles

This Responsible Sourcing Policy is based on the following general principles that we at Givaudan recognise for ourselves and also expect from our suppliers and service providers.

Production, packaging and transport in compliance with legal requirements

We expect our direct suppliers and service providers to ensure that legal requirements are met throughout their supply chain.

Continuous improvement

We expect all our suppliers to engage in this process of continuous improvement and to verify their processes and practices in line with our Responsible Sourcing Policy. Givaudan will be able to provide support to suppliers in this process.

Zero deforestation

For Givaudan, climate change represents both a significant risk and an opportunity to take action and we are committed to working on removing commodity-driven deforestation from our supply chains.

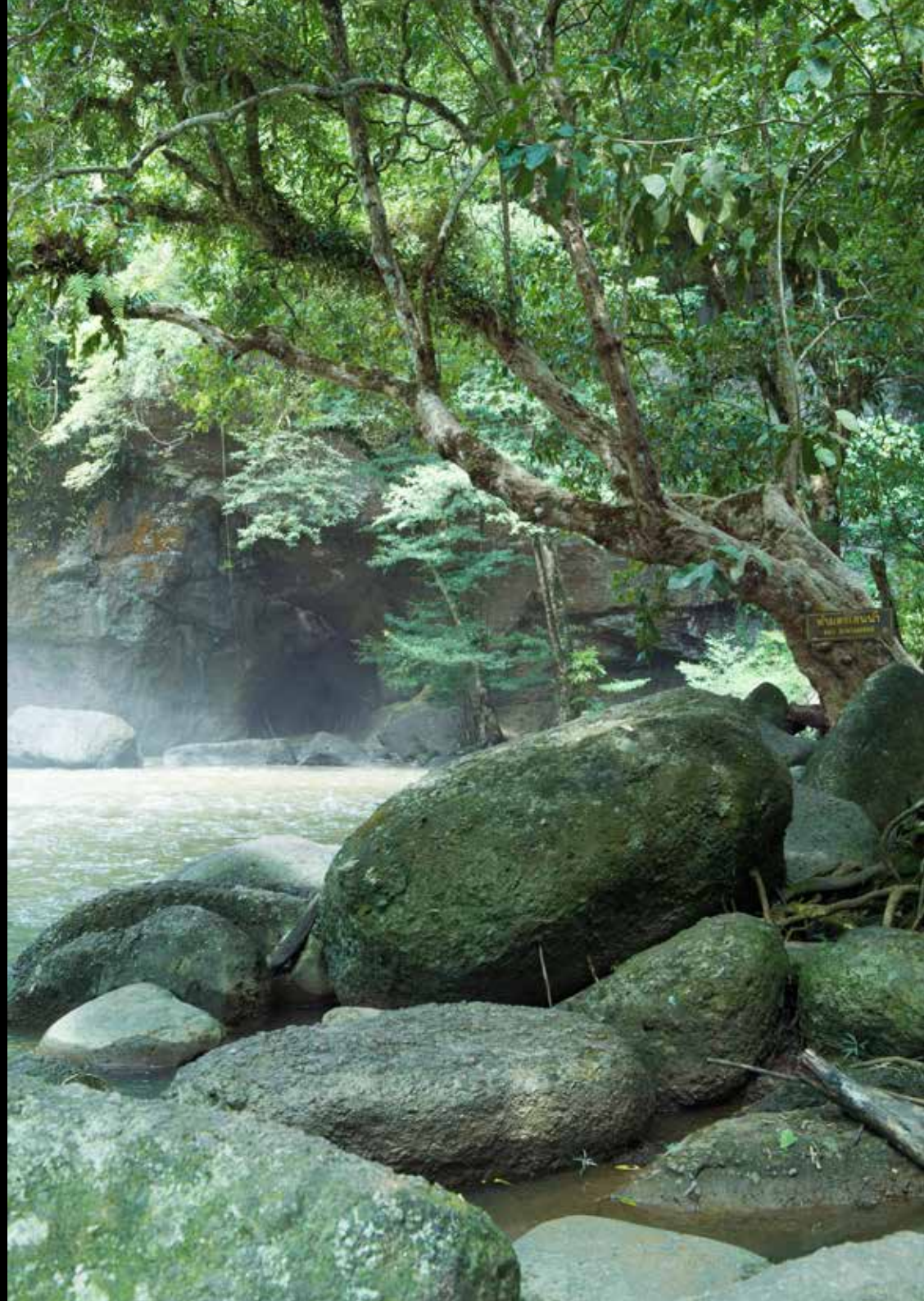
Traceability back to raw materials source

Givaudan is committed to creating transparent sourcing networks with full traceability to the raw materials source, as supply chain transparency serves as the foundation for assessing and monitoring risks, as well as enabling engagement with our suppliers to support improvements towards meeting our policy.

We expect our direct suppliers to support our commitment to full traceability by having full knowledge of, and taking ownership and responsibility for, their own supply chains back to the primary production level.

Inclusion of smallholders

Smallholders can be a central part of our raw materials sourcing network and we recognise that we will need to work with our suppliers to find feasible ways for the appropriate application of our policy.



General requirements

The following requirements are applicable to all suppliers. The term “supplier” or “suppliers” means any person or entity that is the source for goods or services. It includes any primary producers of raw materials, supplier of raw materials, intermediate materials, intermediary suppliers and service providers. The policy is applicable to all workers and employees of any of those suppliers (including permanent, temporary, contract agency and migrant workers).

We expect our direct suppliers to support our commitment to full compliance of this Responsible Sourcing Policy by having full knowledge of its contents and taking ownership and responsibility for their own supply chains back to the primary production level.

Health and safety

Givaudan expects all suppliers to provide all of their employees and workers with a safe and healthy workplace and with safe and hygienic accommodation.

Workers have water that is safe to drink, adequate sanitation, workplaces with appropriate emergency exits, safety equipment and training appropriate to the task, as well as access to emergency medical care.

Procedures are in place to ensure that applicable requirements with regard to occupational health and safety are identified, kept up-to-date and communicated.

Social

Employment is freely chosen

Suppliers must not use any bonded or forced labour, slavery or human trafficking.

No child labour

Suppliers must not provide employment to children before they have completed their compulsory education and in any event not before they reach the age of 15 (fifteen). Young workers must not do work that deprives them of attending schooling or that is harmful or dangerous. Suppliers are also expected to comply with all reporting obligations regarding the abolition of child labour and human trafficking.

No bonded or forced labour

Suppliers must not use any bonded or forced labour, slavery or human trafficking. It means no coercion in employment; no withholding or non-payment of wages; no retention of passports or identity papers; no debt bondage or excessive recruitment fees.

Respect, equal treatment

Givaudan expects its suppliers to treat all their employees with respect and dignity. Diversity in the workplace is respected. Harassment and abuse are not tolerated. Suppliers are also expected to recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed, without regard to race, age, gender, national origin, religion or any other category not relevant to performance.



Social (continued)

Working hours

Givaudan expects all suppliers to respect all working time legislation in the countries in which they do business. Any overtime work must be on a voluntary basis.

Fair wages

Suppliers must pay fair wages which meet, at a minimum, legal standards or applicable national norms.

Freedom of association

All workers must be allowed to exercise their rights to freedom of association and collective bargaining.

Grievance mechanisms

All workers must have access to remedial and grievance mechanisms.

Additional requirements for raw materials supply chains

The land rights of local and indigenous communities must be upheld and the process of Free Prior and Informed Consent must be respected at all raw materials production sites.

Communities must be provided fair and transparent benefit sharing. A community includes all people who live in a particular area or place.

> www.forestpeoples.org/guiding-principles/free-prior-and-informed-consent-fpic

Environment

Environmental management principles at manufacturing plants

Givaudan expects all its suppliers to observe the following environmental management principles at their manufacturing plants:

- Suppliers use management plans to meet environmental compliance obligations and mitigate impacts on the environment.
- Suppliers monitor operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high conservation value to manage impacts on biodiversity.
- Water use is efficient and a water resource management plan is implemented.
- Waste is prevented, reused, recycled, recovered and/or disposed of in an environmentally sustainable way.
- Energy is used efficiently and greenhouse gas emissions are reduced.
- Emissions to air, boundary noise and effluent discharge meet applicable local laws.

Additional requirements for suppliers of raw materials

Givaudan expects its suppliers of raw materials to also comply with the following principles.

Conservation of environmental values at raw materials source:

- All suppliers must identify and conserve biodiversity and forests using the High Conservation Values and High Carbon Stock methodologies.
- Peat lands, irrespective of depth, must be conserved.
- Suppliers are expected to take proactive steps to mitigate impact on water resources through the implementation of water management plans, and take additional measures in water-stressed production areas.

> www.hcvnetwork.org/about-hcvf
> <http://highcarbonstock.org/the-hcs-approach-toolkit/>



Additional requirements for suppliers of raw materials (continued)

Use best practice agricultural and processing techniques:

- All suppliers, regardless of their size, are expected to implement best practices that maximise yields without jeopardising the environment or community livelihoods.
- Wild harvesting practices are managed to ensure the sustainable regrowth of the wild species, and that plants from the IUCN Red List are not utilised.
- Waste and post-harvest losses must be minimised; greenhouse gas emissions are monitored and progressively reduced.
- All suppliers or raw materials are expected to implement environmental management systems and soil and water conservation practices.
- Practices that use fire to prepare land are eliminated, other than justified and documented cases of phyto-sanitary emergencies. Prior approval must be obtained from authorities in these cases.
- Animal welfare must be respected.
- Harmful agricultural chemicals must be eliminated and chemical use in general must be reduced.

> www.iucnredlist.org

Business integrity

Compliance with the law, international standards and conventions

Givaudan requires that each supplier complies with all applicable laws in the countries in which it operates including all laws regarding international trade, embargoes, sanctions and export control. Givaudan expects all suppliers to have a business ethics management system in place.

Givaudan's policy is based on internationally recognised standards. We endorse the UN Guiding Principles on Business and Human Rights and are embedding them throughout our operations. We base our human rights commitment on the International Bill of Human Rights consisting of the Universal Declaration of Human Rights and the International Labour Organization's fundamental conventions on Rights at Work. We support the OECD Guidelines for Multinational Enterprises. We expect our suppliers to also operate in line with these international standards and conventions.

Bribery

We demand that our suppliers will never offer or commit any bribery, corruption, kickback or similar offences including any "facilitation payments".

We expect all suppliers to have systems, processes and training in place to prevent bribery in all of its commercial dealings.

Should a supplier have to act in the name of or on behalf of Givaudan in any transaction, the supplier will also have to comply with or on behalf of Givaudan in any transaction, the supplier will also have to comply with Givaudan's internal policies and procedures as if it were a Givaudan entity. In this case, Givaudan will make a copy of all applicable policies and procedures available to the supplier.

Gifts, entertainment and hospitality

Givaudan expects that any business gift, entertaining or hospitality with Givaudan is kept reasonable in nature, entirely for the purpose of maintaining good business relations and not intended to influence in any way Givaudan's decisions about how Givaudan awards future business.



Gifts, entertainment and hospitality (continued)

Gifts of insignificant monetary value and entertainment arising out of ordinary corporate hospitality may be accepted by Givaudan if offered in line with our policies and procedures and if they are properly recorded.

Money laundering

Givaudan expects all suppliers to strictly abide by all applicable anti-money laundering laws and have any required processes and controls in place.

Financial fraud

Givaudan expects all suppliers to be committed to preventing, detecting and reporting fraud, including fraudulent financial reporting, and to maintaining a control environment that mitigates any risk of fraud.

Fair competition

Givaudan expects all suppliers to be committed to a fair and competitive free market system. While companies may compete vigorously in their many business activities, the efforts of a supplier's employees in the marketplace must be conducted in accordance with the letter and in the spirit of all applicable antitrust, competition and trade practice laws.

Confidential information

Givaudan demands that its suppliers never disclose any confidential information or trade secrets they acquire during transactions with Givaudan to any third party, unless applicable laws or court orders require such disclosure. Suppliers shall use any confidential information or trade secret information only in connection with performing their agreements with Givaudan. Suppliers shall not try to infringe Givaudan's intellectual property in any way.

Reporting issues

All suppliers are expected to have systems and processes in place to address business integrity issues, including potential issues related to bribery and corruption. Such systems shall include means for employees to raise compliance concerns in a confidential way and without fear of retaliation.





Policy implementation

Supplier management systems

Givaudan expects all suppliers to implement management systems that allow the compliance with this Responsible Sourcing Policy. This must include the following at a minimum:

- Risk management: Givaudan expects all suppliers to implement mechanisms to identify, assess and manage risks in all areas addressed by this policy.
- Documentation: Givaudan expects its suppliers to be able to demonstrate their compliance with this policy by retaining adequate documentation, which may be reviewed by Givaudan upon reasonable notice.
- Communication of this Responsible Sourcing Policy: Givaudan expects its suppliers to communicate this policy to all relevant employees and departments.

Verification

Givaudan will verify alignment of supplier practices with the requirements of this policy.

- Givaudan will seek verification of alignment of practices with its commitments.
- Givaudan will use a range of verification tools to verify that a supplying situation meets its commitments.
- A range of tools can be used by suppliers to verify Givaudan's responsible sourcing requirements. The full list of these tools, each of which fully or partially fulfils the responsible sourcing requirements, is available as a separate document.
- Examples of the tools on this list are the Farmer Sustainability Assessment (FSA) tool developed by Sustainability Agricultural Initiative (SAI); Fair for Life certification; FairTrade certification; and crop schemes such as the Roundtable for Sustainable Palm Oil (RSPO).

- Where a relevant verification system is not available or in case of high sustainability risks, Givaudan will verify performance using independent assessments with respected organisations.
- Givaudan will seek innovative solutions to credible verification that is cost effective to incorporate into our approach where we see opportunities to do so.

Continuous improvement, reporting of non-compliance, raising ethical concerns

Givaudan expects suppliers to continuously monitor and verify their performance and to continuously improve in line with the Responsible Sourcing Policy. Any non-compliance with this policy should be reported to Givaudan without delay.

We encourage suppliers to raise concerns about ethical compliance of behaviour of a Givaudan employee or representative, and to report such concern to us. This can be done by contacting the usual business contact

person at Givaudan. In addition, ethical compliance concerns can be raised in confidence to the Corporate Compliance Officer by email to global.compliance@givaudan.com.

For questions relating to products or services that do not involve an ethical compliance concern, suppliers are asked to contact their usual business contact person.

Audit

Givaudan reserves the right to audit any supplier's facilities periodically. Any results of such audits will be provided to the supplier with areas for improvement clearly identified.

Givaudan expects any supplier so audited to resolve audit issues promptly and to provide supporting documentation as requested.

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The 'Responsible Sourcing Policy' of Givaudan SA is published in English

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