

Strategic value creation

Our vision

To inspire emotion through our creations every day, everywhere, as we strive for a better tomorrow.

Our mission

Together with our customers, we craft memorable experiences that bring moments of delight to consumers.

In this section:

Our business model	14
Our value chain	16
Our capabilities	17
Our 2020 strategy	18
– Growing with our customers	19
– Delivering with excellence	23
– Partnering for shared success	25

4.9% sales growth

like-for-like, excluding the impact of currency, acquisitions and disposals

11.8% free cash flow

as a percentage of sales

Start-ups targeted

MISTA programme started: focus on delivering services to start-ups and expanding our New Product Development business model

Delivery systems expanded

Seven additional patents granted and six newly filed

Leadership capabilities strengthened

over 600 leaders benefitted from the programme's focus on specific leadership needs



Our business model

Value creation at Givaudan

Capital input► Value enhancing strategy►

Financial capital

- Equity of CHF 3,538 million
- Free cash flow 11.8% of sales

Safeguarding our reputation

- Highest ethical standards in our interaction with all our stakeholders
- Our values embodied in our Principles of Conduct

People and talent

- Leadership development at all levels
- Commitment to ensuring a diverse workforce
- Annual benchmarking studies for a competitive compensation offering

Innovation and Science & Technology

- Research and development investments of CHF 424 million
- Worldwide, 481 employees in Science & Technology
- Founding partner of MassChallenge, Switzerland

Operations

- 46 production sites in 22 countries
- Sourcing over 10,000 raw materials



.....► Internal control mechanism

External	Financial and macro-economic	Megatrends
 2017 Annual Report – our business divisions – cover flap – our vision and mission – page 12 – our value chain – page 16 – our strategy – page 18	 Management Approach (103 –2, 103 – 3): Topic 201, page 14 – 15 Disclosure 413 –1, page 15	

Value creation for our stakeholders Outcome 2017

Customers

- Delivering innovation and sustainable products to our customers
- Responsible Sourcing Policy since 2016, and we aim to have 90% of our raw materials volume of natural origin to be sourced responsibly by 2020
- True partnership at each step of the value chain
- Expanding our global presence to ensure customer proximity

Enhancing our position in naturals capabilities with the acquisitions of Activ International and Vika B.V.

Opening of new creative centre in Mexico City and GBS centre in Kuala Lumpur

Employees

- A diversified and fairly compensated workforce empowered to impact their world
- Our leaders are equipped and trained for the future through targeted leadership programmes
- Targeted technical and functional skills development and trainee programmes
- Strong talent and succession planning offering broad career opportunities

11,170 jobs worldwide

600 leaders nurtured through the Leadership Senses programme

Since 2012, 90% of top positions are internally staffed

Shareholders

- Seventeenth consecutive increase in the dividend since our listing on the Swiss stock exchange¹
- Increase in share price

CHF 58.00 proposed dividend¹

CHF 20,794,035,672 market capitalisation

Innovators

- Driving cross-divisional synergies and choices across innovation portfolios
- Creating value through innovation to support customers today and tomorrow
- Establishing strategic partnerships in different innovation ecosystems
- Exploring business applications enabled by new digital trends

MISTA programme started: focusing on delivering services to start-ups

One-time investment in Sensorwake

A three-year collaboration with CentraleSupélec

Suppliers

- Long-term partnerships and direct presence and collaboration in countries of origin with producers and suppliers
- Partnering with suppliers to reduce the carbon footprint of purchased goods and services
- Unlocking capabilities through supplier-enabled innovation in order to boost our mutual innovation power

SOMAVA, a new joint venture agreement with Henri Fraise & Fils. 100% of our Madagascar vanilla beans from 2017 harvest will come from this new JV

Supplier partnerships and long-term agreements to secure supply and reduce price volatility

Communities

- Supporting local communities from which we source through social and environmental projects
- Local Green Teams engaged in social activities in the communities in which we operate
- Supporting the Givaudan Foundation to safeguard the future of communities and their fragile environment

Fair for Life certification for our clove leaf oil production

Active Green Teams on 61 Givaudan sites

A total of CHF 1,503,925 was directed to charitable spending for local communities

Internal control mechanism

Sustainability

Regulation

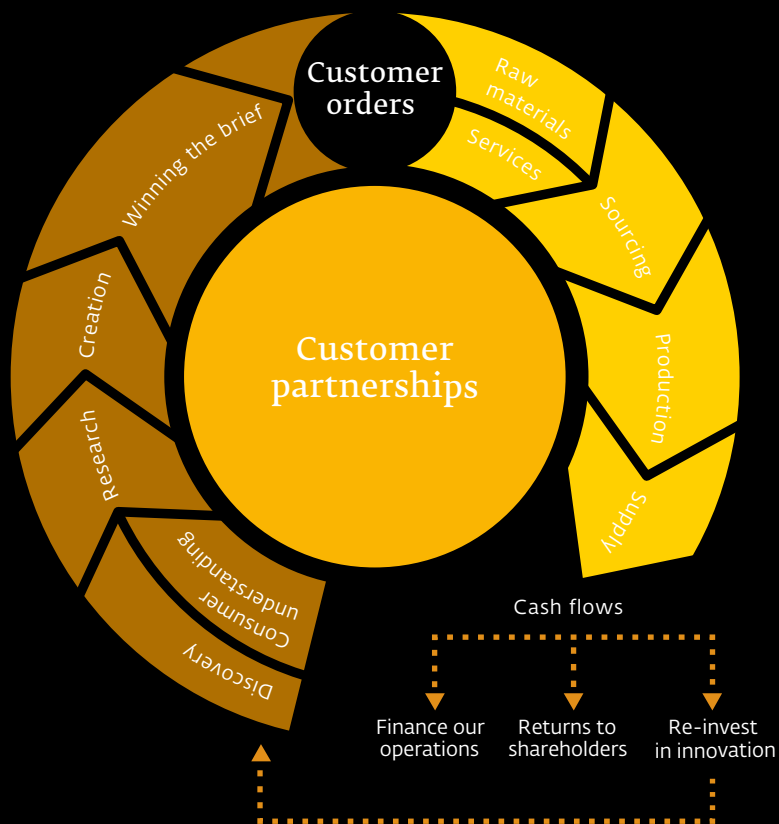
1. Subject to shareholder approval at the AGM on 22 March 2018.

Our value chain

Focusing on our customers

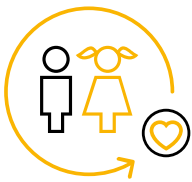
We aim to deliver innovative, sustainable and high quality products to our customers, creating value through a superior customer experience.

Our 2020 ambition of 'Responsible growth. Shared success.' is a common goal that is about creating and sharing success with our customers. For us, success depends on how we best place our customers at the centre of our strategy, our execution and our day-to-day activities. We seek to be recognised by our customers for the way we truly engage with them across all touch points in our value chain. We know the importance of being able to customise to the needs of our global, international, regional and local customers.



Our capabilities

Delighting consumers with creative solutions



Consumer understanding

We travel the minds and lives of consumers around the world to create uniquely relevant and differentiated tastes and scents for our customers' brands

Global team experts in category understanding, cultural insight and sensorial decoding

Insights across countries, life-stages and gender

Agile global consumer-testing network



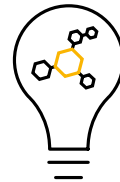
Creation

We are motivated every day to inspire delight and touch consumers' emotions

A team of passionate flavourists and perfumers

Close partnership with our customers

Unique product palette and ingredients



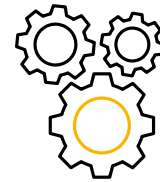
Innovation

Our culture of innovation drives us to enhance our competitive advantage sustainably, create new horizons for our business and offer leading-edge solutions to our customers

Pioneering research and development teams

Focus on the science of taste and smell

Broad product offering for diverse customer portfolio



Operational excellence

Our global operations and rapid speed to market make us a partner of choice, at our customers' service wherever they may be, whenever they need us

Global spread of operations, with local presence allowing rapid speed to market

Supply chain excellence, addressing customers' needs

Sustainable sourcing of raw materials

Our 2020 strategy

Responsible growth. Shared success.

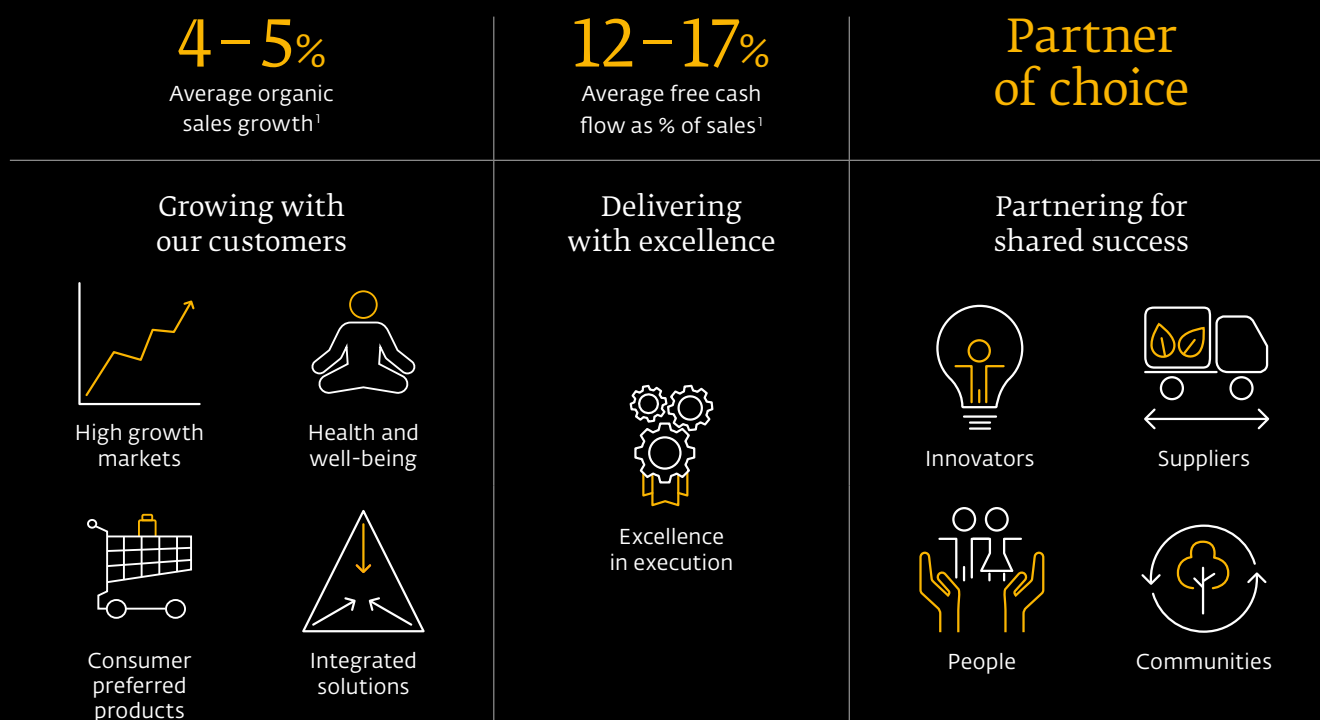
Our 2020 ambition is about creating value for our stakeholders through sustainable and responsible growth and about shared success.

Being the partner of choice for our customers is a strategic ambition, and the measure of this ambition is the value we create with customers through sustainable, responsible growth.

Part of being the partner of choice is shared success with our employees, suppliers, and our partners in science and technology, all of whom are critical in delivering on this ambition.

Our 2020 ambition is to create further value through profitable, responsible growth by building on the three strategic pillars of growing with our customers, delivering with excellence, and partnering for shared success. This growth ambition translates into financial targets of an average 4 – 5% sales growth and an average 12 – 17% free cash flow over a five-year period by 2020.

Two years into our strategy, we remain on track to achieve our financial targets and continue to make strong operational progress in each of our strategic pillars.



1. Over a five-year period by 2020

Growing with our customers

Leveraging capabilities to drive success

4.9% Organic sales growth

With customers at the heart of our business, we leverage our knowledge of markets and consumer preferences to help customers grow their brands.

We set an ambitious financial target of 4 – 5% average organic sales growth over the five-year period by 2020, and are well on track in 2017 with sales of CHF 5,051 million, an increase of 4.9% on a like-for-like basis.



High growth markets

We focus our resources on further building our presence in markets where we see high growth opportunities and can accompany our customers in growing their business.

Key achievements in 2017:

- **Celebrating Silver Jubilee in Singapore.** Our site in Singapore celebrated a great milestone: 25 years of success and achievement in the market.
- **New fragrance encapsulation centre in Singapore.** With foundations laid and operations expected to start in 2018, the centre will enhance our leadership in encapsulation technology and production capabilities.
- **Fragrance Creative Centre opened in Mexico City.** Strategically situated close to key customers and their markets, the new centre offers expertise in fragrance creation together with custom-built fragrance evaluation services.
- **China fragrance production hub.** Foundations were laid during the year for our new facility in Changzhou, Jiangsu province, which will substantially increase our manufacturing capacity in China. With a total investment of about CHF 100 million, it is our largest investment in China to date.

Success story

Celebrating a flagship site

Since opening in 2012, our Makó manufacturing facility in Hungary has enabled us to meet increasing customer demand for speed, agility and quality. With its large capacity of production and its high level of automation, the site has reached new standards in delivering with excellence for our customers.

Celebrating five years of operations, Makó has achieved many milestones in key areas such as service, quality, cost, safety and sustainability. The site not only represents Givaudan's leading position in the industry, but also demonstrates to customers how we constantly strive to deliver a superior customer experience.



Givaudan Flavour production site, Makó, Hungary

Success story

Cultivating innovative thinking and sharing

Our new Fragrance Creative Centre in Mexico City provides an environment that cultivates innovative thinking, sharing and collaboration while bringing us closer to key customers and their markets.

With about 2,800 square metres of space, the new centre hosts our creative and development teams, application and technology labs, marketing and consumer market research, as well as our commercial teams for Mexico and Central America. It will play an important role by offering expert craftsmanship and a deep knowledge in fragrance creation together with custom-built fragrance evaluation services to deliver the finest quality perfumes.

Our business in Mexico began in 1949 and since then we've been innovating and developing as consumers' tastes change and evolve. Today, by enhancing our creative capabilities in Mexico and Central America, we are supporting long-term business growth in the region, a key market in our 2020 strategy.



New Fragrance Creative Centre, Mexico



Health and well-being

There are many opportunities for us to provide customers with solutions to help them meet the increased demands of consumers around nutrition and healthier lifestyles.

Key achievements in 2017:

- **Taste attributes playing a key role in the success of healthy products.** We made significant headway supporting customers in many areas of taste including thinking beyond sugar replacement, and advancements in taste technologies to deliver delicious plant and dairy proteins in nutritional beverages and meat analogues.
- **Awards for Revivyl™.** We made progress with microbiome, winning two major industry awards for a unique microbiome-based ingredient and gaining market success.
- **Partnership with Draco Natural Products.** A strategic partnership was established for the development of a new proprietary line of bioactive botanical ingredients, based on Chinese traditional medicine, for our Active Beauty business. Draco's expertise in effective naturally derived products will bring innovative solutions to our ingredients portfolio.
- **BisaboLife™ launched by Active Beauty.** This sustainable molecule, produced by an exclusive fermentation process, is fully bio-sourced and cares for a sensitive skin and scalp.

Success story

Thought leadership in sustainable foods

We have a comprehensive strategy addressing growing need and demand for natural ingredients, clean labels, sustainability and products that support health and well-being, with a strong focus on Naturals.

Part of communicating our expanding Naturals capabilities and thought leadership in this area was through sponsoring and presenting at the four Sustainable Foods Summits during 2017 – in San Francisco, Amsterdam, São Paulo and Singapore – where we had the opportunity to contribute to discussions on key sustainability topics with senior executives from across the industry. This partnering for shared success will help us to grow with our customers, a key pillar of our 2020 strategy.

Success story

Beauty from the natural world

In our search for sustainable alternatives for the beauty market, we have launched a new ingredient that is fully bio-sourced and takes care of sensitive skin and scalp by fortifying and soothing the skin while restoring its comfort.

BisaboLife™ meets demands from consumers who are increasingly integrating health and well-being into their daily lives and are aware of sustainability concerns. For our customers, it provides an innovative solution to meet these demands by allowing them to replace ingredients from unsustainable sources. Brands love this new biosourced and natural soothing material which helps care for consumers with sensitive skin.

The new ingredient brings together our knowledge and expertise in science and technology to innovate responsibly, and we are committed to developing new and innovative products for our customers that respect sustainable processes as well as the environment.



Consumer preferred products

We put customers at the heart of what we do, making them feel valued, confident and understood. We are a true partner at each step of the creation and value chain.

Key achievements in 2017:

- **Expanding our natural flavour portfolio.** Our procurement strength in naturals and our existing knowledge base and expertise in natural flavourings combined to position us as our customers' naturals solutions provider.
- **Creating awareness in naturals.** Unique posts about naturals were shared across all of the Company's social media channels as part of Flavour Division's digital campaign, designed to showcase our expanding capabilities in natural flavours and natural food solutions.
- **Condé Nast partnership.** We trained students in fragrance appreciation and understanding at Condé Nast's Center of Fashion & Design in Shanghai, engaging Chinese consumers in the universe of perfume.
- **Reinventing citrus.** We source the best qualities of citrus essential oils from Italian suppliers and with innovative crafting technologies to create new exclusive ingredients: seven ingredients have been added to our perfumers' palettes bringing new olfactive signatures to consumers from fizzy green notes to long lasting citrus effect.
- **Negotiations to acquire Expressions Parfumées.** This acquisition will expand our presence with local and regional customers, and grow our capabilities in natural ingredients.

Success story

Reinventing citrus

The citrus family is an important part of our perfumers' palette, and we are re-inventing these ingredients to provide building blocks for our creative teams so they can be even more inspired.

We have modernised this olfactive family by sourcing the best qualities at origin and combining them with our creative approach of crafting with purpose. And we have combined different crafting techniques to deliver an olfactive vision for our perfumers, resulting in an exclusive citrus collection appealing to customers for its differentiation of top notes to base notes.



Success story

Consumers demand naturals

Naturalness is an important demand driver in today's FMCG markets, with consumers increasingly looking for products they can trust from recognised natural sources.

Natural flavours make up a large part of Givaudan's global flavour sales, and over 90% of our innovation resources are dedicated to research in naturals. Sales of natural flavours are growing rapidly with 43% of consumers considering an 'all natural' claim important to their purchasing decisions.

Our recent strategic acquisitions, procurement strength in naturals and existing knowledge base and expertise in natural flavourings make us our customers' naturals solutions partner.



**Integrated
solutions**

We look at opportunities to grow our business through ways that go beyond our core flavour and fragrance capabilities, enhancing the Company's value proposition to customers and creating new avenues for growth.

In 2016 we completed the acquisition of Spicetec Flavours & Seasonings, strengthening the breadth of our industry-leading natural ingredients, flavour and taste solutions. In 2017 we further continued to expand our capabilities in naturals and integrated solutions, bringing added value to customers. These acquisitions included:

- **Activ International**, acquired in January, which strengthens our capabilities in natural savoury solutions and extracts;
- **Vika B.V.**, acquired in September, which extends our portfolio of natural dairy solutions and extracts;
- **Centroflora Nutra**, the nutrition division of Centroflora Group, which will further build our global offering of natural extracts and expand our presence in Brazil. We announced our intention to acquire this company in September.

Success story

Growing our portfolio beyond flavours

Givaudan seeks to ensure responsible growth and shared success for shareholders, customers and all key stakeholders. Part of this growth strategy is integrated solutions and naturals, where we can grow our business in ways that go beyond our core flavour and fragrance capabilities.

In naturals, for example, our existing knowledge and expertise in natural flavours has been strengthened even further with the recent acquisition of companies that bring complementary capabilities to enhance our customer offerings.

The portfolios of these companies – Activ International, Vika B.V. and Centroflora Nutra – strengthen our Company's value proposition to customers and enable new opportunities for growth in our natural flavour offerings. For Givaudan, Activ brings a range of natural and organic flavours; Vika brings a broad set of natural dairy and savoury solutions; while Centroflora Nutra brings manufactured botanical extracts and dehydrated fruits.

It's all part of our strategy of growing our business through naturals and integrated solutions.



Delivering with excellence

Driving excellence across the value chain

11.8% Free cash flow
as % of sales

With customer needs in mind, we drive excellence across the value chain in delivering our products, services and business processes.

We have set an ambitious financial target of 12 – 17% average free cash flow as a percentage of sales and, with 11.8% free cash flow in 2017, we are on track to achieve our 2020 target.



**Excellence
in execution**

Givaudan Business Solutions

Givaudan Business Solutions (GBS) is the foundation of our commitment to deliver with excellence and is designed to improve internal efficiencies, leverage best practices from across the organisation and increase our agility. GBS will enable us to offer our customers a superior experience and contribute to meeting our 2020 financial targets.

We have a comprehensive approach supporting the organisation during GBS implementation, and we are building on our strong position to create the structure that best fits Givaudan, doing so progressively over the next three years.

Key achievements with GBS in 2017:

- **Implementation started.** We started the implementation of GBS for pilot sites in Europe and for a limited scope of activities in Asia Pacific.
- **Activities moved.** The activities of the former Givaudan Finance Services were moved into GBS, with the Budapest and Buenos Aires locations established as the GBS centres for Europe and the Americas respectively.
- **Asia Pacific centre opened.** Kuala Lumpur, Malaysia is the location of the GBS centre for the Asia Pacific region. The centre was inaugurated in December 2017.

Success story

Welcoming our new GBS delivery centre in Kuala Lumpur

We officially opened our new Givaudan Business Solutions (GBS) delivery centre in Kuala Lumpur at the end of 2017. The centre is strategically situated in Malaysia to take advantage of its talent and technology.

Initially focusing on finance and procurement services, the centre will begin implementing the full range of GBS activities in 2019 and be home to the business services and solutions that will form a platform for the Company's growth in this region.



New GBS delivery centre in Kuala Lumpur

Information Management & Technology (IM&T)

As part of GBS, our IM&T teams offer continued support to our business. By optimally leveraging digital trends and technology, they develop differentiating services and new ways of working with our customers, partners and employees. This is achieved by using state-of-the-art technologies in processes such as supply chain, master data management and procurement to make them faster and smarter.

Key achievements for IM&T in 2017:

- **CentraleSupélec collaboration.** We established a three-year partnership with this French institute of research and higher education in engineering and science which will focus on data science applied to our world of taste and smell.
- **GBS enablement.** We were able to offer GBS the best of starts, thanks to the delivery of digital solutions in areas such as advanced planning and service management, leveraging artificial intelligence and robotics process automation techniques.
- **Soliance, Libragen, Induchem France and Spicetec integrated.** These recently acquired companies were integrated into Givaudan systems, in support of our 2020 strategies.
- **Educative beauty app developed.** A new app for Active Beauty is to be used by experts to share Company advances in scientific expertise with customers and consumers worldwide.

Superior customer experience

From innovation to sales, our business divisions drive initiatives to ensure we deliver with excellence and offer a superior customer experience.

Key achievements in 2017:

- **Superior Customer Experience (SCE).** Our Flavour Division introduced SCE, engaging all employees through an SCE programme. SCE is about making our customers feel valued, confident and understood, by creating positive impact and consistently great experiences at all points of contact.
- **SCE core principles.** Six core principles make it easier for Flavours employees to understand SCE. These core principles are anchored in our DNA, define our behaviour in the working environment and help us build our customer-centric culture. For employees in all roles, the principles make it easier to understand what SCE means.
- **Top supplier awards.** Consumer products and fine fragrances customers from around the world awarded us for our creativity, sustainability and collaboration.

Excellence in operations

We are fully committed to excellence in climate action and are implementing an ambitious agenda in taking action for the environment across our operations and beyond.

Key achievements in 2017:

- **Science based targets.** We announced ambitious science based targets to reduce absolute Scope 1 and 2 GHG emissions by 30% between 2015 and 2030. We also aim to reduce Scope 3 GHG emissions by 20% over the same period.
- **CDP 'A' listing.** For the third year, we gained a listing on CDP's 'A' list of companies leading the corporate response to climate change.

Success story

Delivering excellence in manufacturing operations

The Flavours manufacturing network has 34 manufacturing and six distribution sites which produce hundreds of thousands of tonnes of ingredients and finished products each year.

This is a vast network and every improvement in efficiency, responsiveness, quality, sustainability and safety helps us move towards greater excellence in manufacturing operations.

Flavours Operations uses Lean methodologies to simplify processes and reduce waste, helping our teams to deliver efficiently and effectively. Our operations costs, for example, are now the lowest they have ever been.

In 2017, our Operations teams in Singapore and São Paulo, Brazil were both awarded Lean Silver-Gold certification, the first Givaudan Flavours manufacturing sites globally to achieve this accreditation.

Partnering for shared success

Building to be the partner of choice

Partner of choice

We nurture and value true partnerships with our key stakeholder groups for shared success. These collaborations, which drive responsible and sustainable growth, are with innovators, suppliers, employees and communities in which we operate.



Innovators

Driven by a culture of innovation, we create new horizons for our business and offer differentiated and sustainable solutions to our customers. By connecting and collaborating, we want to strengthen internal and external collaborations for a Company-wide, holistic approach to partners, customers and suppliers.

Key partnerships in 2017:

- **Start-ups targeted.** We piloted MISTA, a programme that focuses on delivering services to start-ups primarily in the Bay Area of San Francisco and expands our New Product Development business model which targets emerging start-ups in the food and beverage industry.
- **Academic partnership.** Students at the University of California, Berkeley are involved in a market opportunity to transform the meat industry. We are helping students create flavours and aromas for enticing non-meat proteins.
- **Sensorwake investment.** A one-time investment was made in Sensorwake, a French start-up company leading innovation in the consumer technology sector and which is responsible for creating the world's first olfactive alarm clock.

Our divisional and global Science & Technology teams drive value in innovation. Achievements by these teams during 2017 helped to create value through innovation, supporting and growing the business today and looking for opportunities for business growth tomorrow and the day after tomorrow:

- **Freshness captured.** Launch of FreezeFrame® in Flavours: a technology for capturing the moment when ingredients are at their freshest. It brings a fresh taste and vibrancy to convenience food as if fresh ingredients were just added.
- **Cheese capabilities boosted.** We strengthened our capabilities in cheese with the acquisition of Vika.
- **Protection on delivery systems expanded.** We continued to build our delivery systems portfolio with the granting of seven additional patents and six newly filed.
- **Mechacaps® Kiln launched.** This is a novel delivery technology for controlled fragrance release in powder and liquid detergents, including single unit doses.
- **Global Beauty Industry Award.** We gained Best Colour Cosmetics Ingredient award for PrimalHyal™ Gold, a new ingredient from Active Beauty. Created by means of sustainable manufacturing processes, the ingredient allows the incorporation of hyaluronic acid in oil-based formulas such as pressed powder, body oil and suncare oil.
- **Juicy bloom booster.** A very potent and diffusive fruity and nature-identical odorant, Esterly™, was added to the perfumers' palette. It supports and boosts juicy, matured and fruity impressions, and adds a remarkable radiance and signature to many perfumer creations.
- **Sleep quality optimised.** We launched DreamScentz™, a patent-pending Fragrance technology to optimise the quality of sleep. Through the link between fragrance, positive mood states and a proper night's sleep, we strive to provide breakthrough solutions for people to sleep better.
- **Fine Fragrance with skin protection announced.** Active Beauty unveiled a concept called [Yu], a patent-pending innovative fine fragrance featuring the active ingredient Revivyl™, a holistic skin renewal accelerator.
- **Matcha tea inspired.** Tea Dione™ was added to our perfumers' palette. It originates from a successful research programme as a nature-identical version of a molecule found in matcha tea and praised for its clean, milky matcha green tea note refreshed with anisic facets.

Success story

Adding vibrancy with freshness flavour solutions

We all know that 'first burst' of freshness in foods, the vibrancy of freshly added ingredients. But it's a joy that may not always be there, especially in convenience foods.

Our Flavours teams have developed a range of freshness flavour solutions using FreezeFrame®, a technology to capture freshness and add taste and vibrancy to convenience foods.

Launched in 2017, initially in a range of seven top notes and taste solutions, the new innovation fits with our existing flavour solutions and is a direct response to strong consumer demand for fresher tasting convenience foods.

It's an innovative approach that grew from Givaudan's Chef's Council in New York, where we explored with some of the world's leading chefs what makes a freshly prepared eating experience. It helped us understand what freshness perception means and translate the taste of freshly prepared food into vibrant flavour solutions that will revitalise the eating experience of convenience foods.

**Success story**

MassChallenge: strengthening collaboration

Becoming a founding partner of MassChallenge Switzerland in 2016 was a key step for us in fostering a culture of open innovation. It's a great opportunity to connect and collaborate with hi-tech start-ups that could transform our business and shape the future industry landscape.

During the MassChallenge accelerator programme in 2017, for example, we talked with several finalists, one of them being the Swiss start-up Sleepiz, which offers contact-free solutions to measure a patient's vital signs to enable a diagnosis of sleep disorders in the home environment. From 2018, the MassChallenge platform will be used as a foundation for the European Institute of Innovation & Technology (EIT) Food Accelerator Network.



MassChallenge awards ceremony, November 2017

Success story

DreamScentz™ – offering sweet (smelling) dreams

Waking from your night's sleep feeling relaxed, revitalised and refreshed may no longer be just a dream, thanks to research from Givaudan that demonstrates the power of fragrance in improving the quality of sleep.

A patent-pending technology that uses the power of scent to enhance the quality of sleep, DreamScentz™ is based on the link between fragrance, positive mood states and a proper night's rest. With consumers increasingly looking for help to gain a better night's sleep, DreamScentz™ could be the innovative breakthrough solution sought by people around the world. It's about turning the power of scent into a science that will also add value to our customers' products.



Suppliers

We seek to generate maximum value with suppliers through long-term and sustainable partnerships. These collaborations aim to create mutual value on supply continuity, quality, cost, innovation, responsibility and our ability to deliver the best ingredients. As a result, they enable us to differentiate our product offering to customers.

Key achievements in 2017:

- **Supplier partnerships extended.** We created additional partnerships and long-term agreements with suppliers to secure supply and reduce price volatility.
- **'Sourcing for Shared Value' introduced.** A comprehensive approach was announced that further strengthens our long-term commitment to sustainable procurement practices.
- **Vanilla bean agreement.** A joint venture agreement with Henri Fraise & Fils, called SOMAVA, gives us access to 70 years of experience in sourcing and curing vanilla beans from Madagascar.
- **Guarana supply secured.** This agreement concerns the long-term supply of guarana and helping local communities by working in partnership with a local supplier in Brazil to support a cooperative of over 80 producer families in the southern Bahia region. The venture contributes to securing a stable source of income for the producer families.
- **Supplier Enabled Innovation.** A new Procurement Innovation team was appointed to accelerate the creation of mutual value through Supplier Enabled Innovation.
- **Indirect Materials and Services.** We worked closely with suppliers in several areas in Indirect Materials and Services such as logistics, maintenance and packaging to identify and implement joint improvement projects.

Success story

Sourcing for shared value

Givaudan is committed to ensuring that all of our raw materials are produced in a way that respects both, people and the environment. Our comprehensive approach, Sourcing for Shared Value, builds on this long-term commitment to sustainable procurement practices. It reinforces our contribution to preserving the environment, stimulating the well-being of communities from which we source, and safeguarding resources for the long term.

By embedding social and environmental purpose in the way we source, we can best respond to our customers' evolving needs and the increasingly stringent demands of consumers for more sustainable, healthier and differentiated products.

Success story

Creating mutual value

Close collaboration with suppliers and driving cross-divisional synergies are two factors enabling us to create new value. An example of Supplier Enabled Innovation during the year was an exclusive partnership with a flavour supplier that allows our perfumers access to innovative, natural and sustainable apple oil.

Taking the purée from juice production to craft this delicious apple oil offers a super-premium product that brings a true, natural green apple top note to the fragrance pallet for the first time. It's the sort of value-creating collaboration that is a focus for our Procurement Innovation team, formed in 2017.





We are committed to fostering a great place to work where our people are motivated to perform at their best, impact their world and contribute to the Company's success. To ensure sustained success, we develop the skills of our people, nurture a pipeline of industry experts and future leaders, and strongly promote a diverse workforce that works in an agile and collaborative way.

Success story

Engaging creativity in attracting talent

Designing engaging material to attract today's talent and finding ways to strengthen our employer brand in a creative way, has helped promote Givaudan as employer of choice – both on a global and local level. During 2017, we launched an engaging employer branding film and developed customised digital material supporting local recruitment activities. This multimedia material included employee photographs and testimonials, a dedicated webpage as well as advertisements on a mix of digital channels. At the HVG Job Fair in Budapest, we won the prize for “most creative approach to attracting talent”, an encouraging recognition of our creativity.



www.givaudan.com – careers – job search – budapest

Key achievements in 2017:

- **Talent management developed.** We continued to build development plans in our talent management process. Our Global HR talent council met four times during the year to discuss cross-business talent development. The Executive Committee, in addition to the in-depth talent reviews at the beginning of the year, held dedicated talent reviews at the EC meetings throughout 2017.
- **Masterclasses extended.** Our investment in targeted technical and functional training continued with Masterclasses now in place in both our business divisions. We also organised academies for finance and controlling, and IM&T.
- **Leadership Senses completed.** Designed to strengthen our leadership capabilities, four Leadership Senses programmes are now established, completing the rollout. Over 600 leaders have benefitted from the programme's focus on specific leadership needs.
- **Flavourist trainees graduated.** Our global Flavourist School programme ensures all flavourists are trained in the same curriculum. Graduation of flavourist trainees took place in EAME and Asia Pacific.
- **Employer branding boosted.** An employer branding film was launched to strengthen our global employer brand.
- **'Pay for Performance' strengthened.** We strengthened our 'Pay for Performance' philosophy and increased transparency of pay linked to individual job levels.
- **ONE Givaudan piloted.** An engaging global onboarding programme called ONE Givaudan was piloted. A first for us, the programme reached 90 participants in pilots in four global locations.

Success story

ONE Givaudan Onboarding new employees

Our people bring enormous value and strengthen our business. This is why it is important for us to integrate our new employees from the very start. We are committed to providing a solid foundation to set them up for success.

Launched in 2017, ONE Givaudan offers a holistic and engaging experience for new employees across all regions. Global onboarding, a first for us, ensures that new joiners acquire fundamental knowledge about our Company and its rich heritage, our business and our DNA. Internal experts deliver the sessions with passion, communicating their expertise and the value we bring to our customers.

Participants have shared an appreciation of the content and the opportunity to network with experts and peers from across the organisation. They leave with a great sense of pride, motivated and engaged to begin their journey.

"This is such a great opportunity to leverage the diversity of our new joiners across our regions and introduce them the value chain that puts the customers at the heart of everything we do. We have created a shared experience where we come together to be part of ONE Givaudan." Michèle Telio, Global learning and development consultant.



Participants at ONE Givaudan



Communities

Local communities where we source raw materials contribute to our business. We are committed to working together with these communities in causes that benefit them and our raw material supply chain. Our cross-functional site Green Teams are dedicated to driving local sustainability activities.

Key achievements in 2017:

- **Waste management progress.** Our Cuernavaca site in Mexico continued to make progress towards their sustainability goal of zero waste to landfill by 2020. Further site initiatives in 2017 included identifying local waste management partners who can guarantee disposal with positive environmental effects.
- **Recycling citrus oil.** Our Riverfront site in Pudong, China has found ways of reusing citrus oil, a by-product of flavours production. Two local companies now use the oil so we can avoid incineration and related energy consumption.
- **'Year of Giving'.** Employees in Dubai gave their support to the 'Year of Giving' initiative by the United Arab Emirates president through blood donations and donations of clothes, toys and books to labour camp workers.
- **Healthy eye programmes.** Employees at our Jigani site in India continued their support for healthy eye programmes, in partnership with the Vittala International Institute of Ophthalmology (VIO) of Bangalore.



Disclosure 413 – 1

Success story

lifestyle@givaudan – it's a winner

If you were lucky enough to visit our site in Dubai during 2017 you might have been surprised to see employees dressed in the national costumes of countries around the world, or cycling 'around the world' (statically), or even watching a movie. You might have even noticed them dancing, or cooking, or in yoga and meditation sessions.

Over 20 activities in three categories – wellness, nutrition and fitness – were delivered over 12 months, helping 85 employees become fitter, healthier, engaged and fully on board this enterprising initiative, lifestyle@givaudan.