



Our people & culture

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A culture of performance and appreciation

Delivering with excellence across the regions



Our business is about our people and their talent. It is their passion that continues the Company’s long history of delivering with excellence and ensures the best possible customer experience.

Givaudan is the leading employer in the flavour and fragrance industry with a global workforce of around 13,600. It is our people, working in a wide variety of roles, who help transform the original creations of Givaudan’s talented perfumers and flavourists into products that are designed to satisfy the most demanding requirements. These innovative, creative professionals are fundamental to our success.

The number of our employees increased significantly in 2018 due to new hires required for the implementation of Givaudan Business Solutions (GBS) and our recent acquisitions of Naturex and Expressions Parfumées. This additional talent pool enriches our Givaudan culture and joins an already global and diversified workforce. Our strength and success comes from this diversity, giving us the Better Balance in the workforce needed to meet future business imperatives.

Our new employees have been welcomed into the Company and our unique culture through our ‘ONE Givaudan’ global onboarding programme, launched in 2017. This programme ensures that new joiners acquire a fundamental knowledge

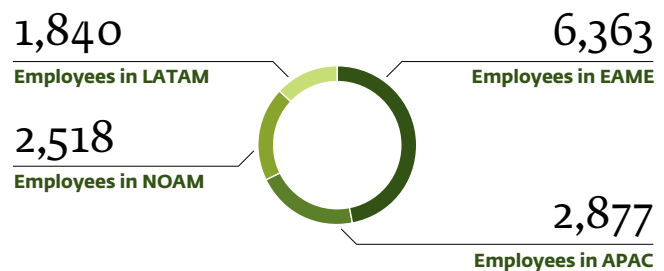
BETTER BALANCE

A diversified workforce across the regions with 13,598 employees working in 148 sites in 50 countries.

about our Company and its rich heritage, our business and our culture. In 2018, 556 people attended ONE Givaudan onboarding events: eight were conducted in the regions and thirteen were organised specifically in the GBS centres. In addition, the onboarding events were complemented by new interactive e-learning sessions, followed by 114 participants, which will be further developed and extended during 2019.

This global workforce is spread across geographical locations, yet is closely connected with colleagues and the business around the world through a strong digital platform. The introduction of a ‘self-service’ digital platform enables employees to obtain single-source and consistent Human Resources (HR) information accessible at all hours. This facilitates an interconnectivity that creates an environment where our multinational, global workforce can work more closely together without geographical boundaries. In addition, the introduction of GBS has further enabled improvements such as speed and accuracy relating to HR information and services.

Full time employees' by region



1. This is defined as the equivalent full time employees and includes acquisitions. In 2018 the number includes employees from Activ International, Vika B.V., Centroflora Nutra, Expressions Parfumées and Naturex.

Givaudan employees

	2018	2017
Total number of full time employees¹	13,598	11,170
Total headcount²	11,725	11,313
Total number of employees (headcount)²	11,725	11,313
Women	4,474	4,313
Men	7,251	7,000
New Employee hires	1,815	1,553
Women	745	634
Men	1,070	919
Turnover rate	12%	10%
Women	13%	10%
Men	11%	10%

1. This is defined as the equivalent full time employees and includes acquisitions. In 2017 employees from Activ International and Vika B.V. are included. In 2018 the number includes employees from Activ International, Vika B.V., Centroflora Nutra, Expressions Parfumées and Naturex.
2. This is defined as the head count: Givaudan employees, internal temporary employees, and employees from Activ International, all other acquisitions excluded.

GRI Management Approach (103 – 2, 103 – 3):
Topic 401, pages 54 – 55

Talent, performance and culture

Our approach to value creation for our employees and a key driver of growth is in creating an environment where people impact their world and contribute to the Company's success. This is supported by an HR strategy which focuses on three areas: **Talent** – developing leadership capabilities and ensuring we have the talent that can deliver on the needs of tomorrow; **Performance** – including strengthening the way we have conversations in the organisation, and reinforcing the link between pay and performance; and **Culture** – including establishing our unique offering as an employer, what we stand for and how to make Givaudan a great place to work. GBS is a fundamental enabler of our HR strategy allowing all our HR people to focus on where they can bring the most value relating to Talent, Performance and Culture.

Our suite of internal programmes focuses on proactive talent development and nurturing a well-balanced workforce of talented professionals. All programmes offer both a challenging and inspiring learning environment. We encourage our employees to explore and experience new ways of thinking and working. This often means a blend of digital tools, self-reflection, coaching, classroom sessions and virtual team work, providing a safe environment to apply and test what employees learn with a strong focus on transferring learning back into the work environment.

Our key achievements in this area were:

- In continuing to build our leadership capabilities and in promoting a culture of continuous learning and curiosity, we undertook a further round of our Leadership Senses programmes in all regions during the year. 304 participants followed our customised programmes that aim to equip them with the necessary leadership skills for today and for the future. In addition to the existing programmes of Begin, Grow, Evolve and Enhance, we have piloted a new programme called Discover. This programme targets our first-line managers and supervisors with a special focus on the qualities expected of a leader, coaching and feedback. Discover includes an interactive, practical section that focuses on safety and quality.
- More than 700 managers to date have been trained in 'Selecting the best', a one-day training session to familiarise our recruiting managers with the Company's recruiting process and develop their interview skills to help them make better hiring decisions.
- We have rolled out our 'Quality Conversations' training, which helps managers build trusting and productive relationships with their team members that result in stronger employee engagement and transforms individual and business performance. 222 managers have now been trained in Quality Conversations.
- In the 2018 performance cycle, we introduced two new training 'toolkits' (including interactive virtual 'books') focusing on feedback and developmental discussions. All managers were offered training and toolkit materials to prepare for their developmental discussions and share with their teams. We plan to roll out additional toolkits in 2019.

Our mentoring programmes aim at matching employees with mentors who have the expertise relevant to their individual development areas. The aim of the mentoring programme is to help employees develop their leadership or technical skills, support them to navigate across the organisation and provide them with greater visibility while promoting knowledge sharing. In 2018, there were 34 participants across all the regions in the Flavour Division's programme. The Fragrance Division prepared its next launch which will occur early 2019, and is planning to add a 'reversed mentoring' segment to the programme. This means the 'junior' will have the opportunity to coach their 'senior' mentor in one specific topic such as social media. The first mentoring programme in the Fragrance Division began in 2016 and ended in 2017. This first phase was implemented in five regions with 130 participants.

Employees receiving regular performance and career development reviews¹

	2018	2017
Women	93%	91%
Men	67%	63%

1. Referring to actual head count: Givaudan employees, internal temporary employees, and employees from Activ International, all other acquisitions excluded.

The discrepancy between ratios for male and female employees is due to the fact that more men are under collective agreements.

GRI Disclosure 404 – 3

Employee engagement is also related to compensation. Our compensation packages are competitive and enable us to attract, retain and motivate qualified employees. Benchmarking studies are conducted annually and salaries are reviewed, taking into account macroeconomic data such as cost of living and market evolution. In high inflation countries, salaries may be reviewed more frequently than once a year. In 2018, this was the case in Argentina, Turkey and Iran. In addition, our profit sharing scheme allows non-management employees to share in Company profits.

 [page 88, 2018 Compensation report](#)

Related to this topic is the ratio of remuneration of women to men, a priority topic at Givaudan. Studies are conducted every year on a global basis and in each of the key markets where we operate to monitor gender pay equity, identify any outstanding pay gaps and ensure they are promptly addressed. The studies are conducted according to the methodology developed by the Swiss Federal Office for Gender Equality with a view to ensuring equal pay for equal responsibilities. For the Givaudan Group globally, our results show that the average base salary difference between men and women is 1.2% for equivalent roles and skills sets. For total cash compensation (fixed and variable pay) the difference is 1.3%. The results for our headquarters in Switzerland are similar, showing differences in the order of 1% for base salary and total cash compensation. The inclusion of Givaudan in Equileap's¹ 2018 Top 200 companies for gender equality, based on comprehensive research of 3,206 listed companies, illustrates the Company's continuing efforts in this area.

1. Equileap is a Netherlands- and UK-based organisation that aims to accelerate progress in gender equality in the workplace.

GRI Disclosure 405 – 2

Engaging the voice of employees is important at Givaudan to make sure we are on the right path in creating a great place to work. Our Engagement Survey of employees' views was last carried out in 2016 and we continue to track the results of these surveys and have implemented many initiatives that arise from the survey findings at a local level.

In Brazil, for example, lunchtime interest groups among employees are being created for people to exchange ideas and experiences, learn from others, and get to know each other beyond business and work. Each group, created by employees themselves, has an 'owner' who is responsible for connecting people from different departments with similar interests. A group to exchange recipes via WhatsApp, a women's network for career development, and an English class centred on movies, music and literature are included.

An initiative in Australia offers employees the opportunity to improve their health and well-being in areas such as mental health, energy levels, weight management, blood pressure, sleep patterns and nutrition. A baseline measure has been developed which can be used against annual checks. The programme, which benefits the business as well as individual employees, is being extended to include topics such as physical vitality, mental and emotional agility, and positive relationships.


GRI Management Approach (103 – 2, 103 – 3): Topic 202, 404, pages 55 – 56

Towards a Better Balance

We are committed to a balanced and inclusive workforce. In reflecting the societies and cultures in which we operate, we aim to strengthen our teams by providing opportunities for people of all backgrounds, gender and locations without discrimination. A diverse organisation is essential to meet our business goals, to reflect better the customers and consumers we serve, to drive innovation and to create an inclusive culture where all our people grow and succeed. Our Diversity Position Statement outlines our commitment to ensuring a representative workforce that reflects the diverse communities in which we operate.

As an international business, we need the right people in the right geographies. We particularly aim to increase our representation of nationalities in high growth markets and women in managerial positions.

In 2018, we started to implement our Better Balance roadmap, the aligning of all our senior leadership teams on the case for change. We reviewed our talent management processes and introduced more transparency into senior leader appointments. In addition, we have created guidelines to ensure we interview a wider range of profiles for senior leader roles,

 www.givaudan.com – our company – corporate governance – position statements – diversity

GRI Management Approach (103 – 2, 103 – 3): Topic 405, 406

Employee relations

Our global workforce operates in an international market and must be capable of adapting to a rapidly changing market. We try to cultivate an environment where the employer and the employee can better understand each other's challenges and find ways of resolving them. This is done by establishing genuine dialogue with freely chosen workers' representatives.

We strive for harmony in our labour and management relations and follow commonly recognised best practices. We pride ourselves on our history of constructive dialogue with employee representatives and we support the freedom of individuals to join trade unions or other employee representative bodies.

Regular European Works Council consultations are held with a group of employees representing Works Council members from all European Union member states where we operate. The purpose is to inform and consult employees about significant changes in the organisation, ensure the right to freedom of association and collective bargaining is not put at risk, and to report any feedback to the Executive Committee. The last European Works Council was held on 27 September 2018.

We respect legal local notice periods prior to the implementation of changes that could substantially affect our employees, either through direct communication to these employees or through their elected representatives, works councils or other groups. In countries where there are collective agreements and where it is mandatory, minimum notice periods regarding operational changes are specified. These range from no notice to three months, depending on the country and based on local laws and practices.

In all our locations worldwide, there are no sites where the right to freedom of association and collective bargaining has been violated or is at risk.

GRI Management Approach (103 – 2, 103 – 3): 402, 407
Disclosure 402 – 1, 407 – 1

BARGAINING AGREEMENTS

29% of employees are covered by collective bargaining agreements.

GRI Disclosure 102 – 41

Composition of governance (Executive Committee and Board of Directors)

	Women	Men	<30	30-50	>50	Total
Headcount	3	11	0	2	12	14
- in %	21%	79%	-	14%	86%	100%

Employees' categories and composition of governance bodies

	Women	Men	<30	30-50	>50	Total
Senior management	45	145	-	108	82	190
- in %	24%	76%	0%	57%	43%	
Middle management	1,532	1,733	126	2,435	704	3,265
- in %	47%	53%	4%	75%	22%	
Associates	2,897	5,373	1,972	4,732	1,566	8,270
- in %	35%	65%	24%	57%	19%	
Total	4,474	7,251	2,098	7,275	2,352	11,725
- in %	38%	62%	18%	62%	20%	100%

1. Including the Executive Committee, and excluding acquisitions except Activ International and Vika B.V.

GRI Disclosure 405 – 1

Embracing our culture of safety

Ensuring ‘Everyone gets Home Safe everyday’.



We are committed to ensuring the safety of our employees and have set ambitious targets and clear strategies aimed at eliminating accidents in the workplace.

Our Lost Time Injury Rate (LTIR), the measure of the number of occupational incidents with at least one day of work lost relative to 200,000 hours of work, has fallen from 1.03 in 2009 to 0.25 in 2018, with no fatal injuries. Since 2009 we have achieved a 76% reduction and, looking at the performance from 2017, we have reduced the rate of injuries by 24%.

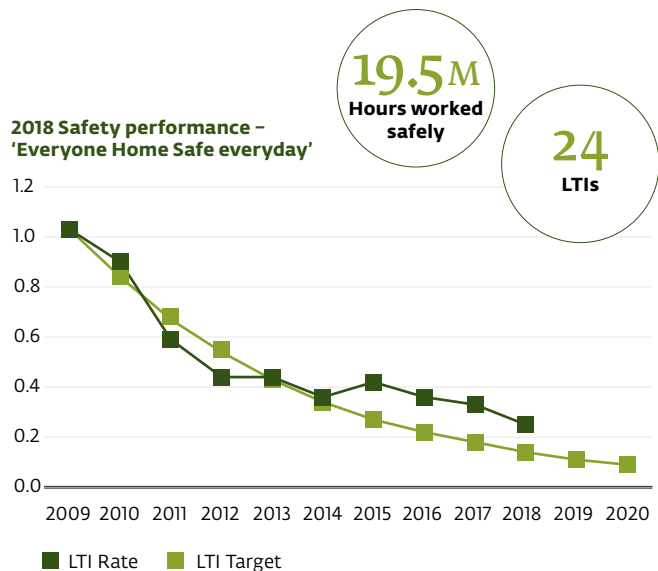
This good performance is possible only through continued nurturing, attention and leadership. However, we know that a past safety record does not guarantee future excellence. To ensure we maintain and further improve our safety performance towards such excellence, we focus on a range of activities and programmes that encourage a mindset and culture of safety. For example, investing in technical safety aspects is fundamental to prevent industrial accidents, but injuries are not exclusive to dangerous environments and so awareness and training is key. Almost all incidents that result in lost time at work are the result of unsafe behaviours, and it is through our culture of safety that incidents can be avoided and employees protected.

Another example of our initiatives is our Safety Ground Rules, which address common situations that are encountered by most of us on a daily basis when at work. In our analysis of incidents on our sites, the link between accidents and behaviours became clear. By following these 12 ground rules, the number of accidents could be decreased to almost zero. We have concentrated in the past on our manufacturing sites, but from 2019 the scope will extend to non-manufacturing sites.

Focusing on building the skill set in our people, our facilitator programme is an approach that departs from the traditional ‘centre outwards’ approach: EHS facilitators train their peers in day-to-day hazard identification and risk avoidance. In 2018, six sites in three regions were involved.

In addition, to raise the visibility and impact of our safety culture, our EHS Excellence model, introduced in 2018, uses a workshop approach and enables leadership teams to assess their site against a set standard of desired behaviours/results and define actions for improvements. Excluding recent acquisitions, the EHS Excellence model was completed on 90% of our sites by the end of 2018.

Reducing injury is also achieved through risk management. Working with site management we have obtained comprehensive risk profiles per production site, identified corrective actions to reduce risks and implemented controls. In 2018, 90% of our sites, excluding recent acquisitions, were assessed. In 2018 we also completed our first five-year audit cycle since we introduced our renewed management system.



Lost Time Injury Rate (LTIR) = the number of lost time injuries per 100 employees, per year.

Our strategic initiatives for injury reduction



Reduce risk

- Risk analysis
- Workplace assessment
- Fire safety
- Material handling
- Ergonomics



Embedding EHS

- Leadership EHS Excellence workshops
- Engage employees
- Safety contacts
- Report of near misses and unsafe situations
- Learn from events



Agile EHS organisation

- EHS Facilitators
- EHS Academy
- GBS EHS Solutions Team

Everyone Home Safe everyday

We have a wide range of programmes to help employees take responsibility for their own safe behaviour in their daily activities, at work and at home. For example, Givaudan EHS Events engage employees through site activities that help them feel proud to be part of an organisation that cares for their health & safety and that of their colleagues. These activities are publicised globally through regular EHS 'Postcards'. We make particular efforts to involve those who join the Company through acquisitions. In addition to these events, dedicated awareness campaigns are taking place, as in our Fragrance Division in Asia Pacific. These were particularly successful with measurable improvements.

Another initiative is our EHS Academy, which trains EHS employees to be more effective in their roles, building on their business knowledge and strengthening collaboration within the EHS team. The last EHS Academy, conducted in 2018, brought together field EHS managers and EHS Centre of Expertise representatives to help further improve business partnering and continue embedding an EHS culture in employees' day-to-day work.

Our ambitious 2020 target is to be below 0.1 LTIR, which corresponds to a 90% reduction versus 2009. This is challenging as the demand for EHS support grows with acquisitions, yet we believe it is possible to achieve it by continuing our approach of going beyond rules and processes and working with leaders and employees to ensure a safety mindset and culture in the workplace.

GRI Management Approach (103 – 2, 103 – 3): Topic 403, pages 58 – 59