Net-zero transition plan

from purpose to action

Givaudan

Human by nature

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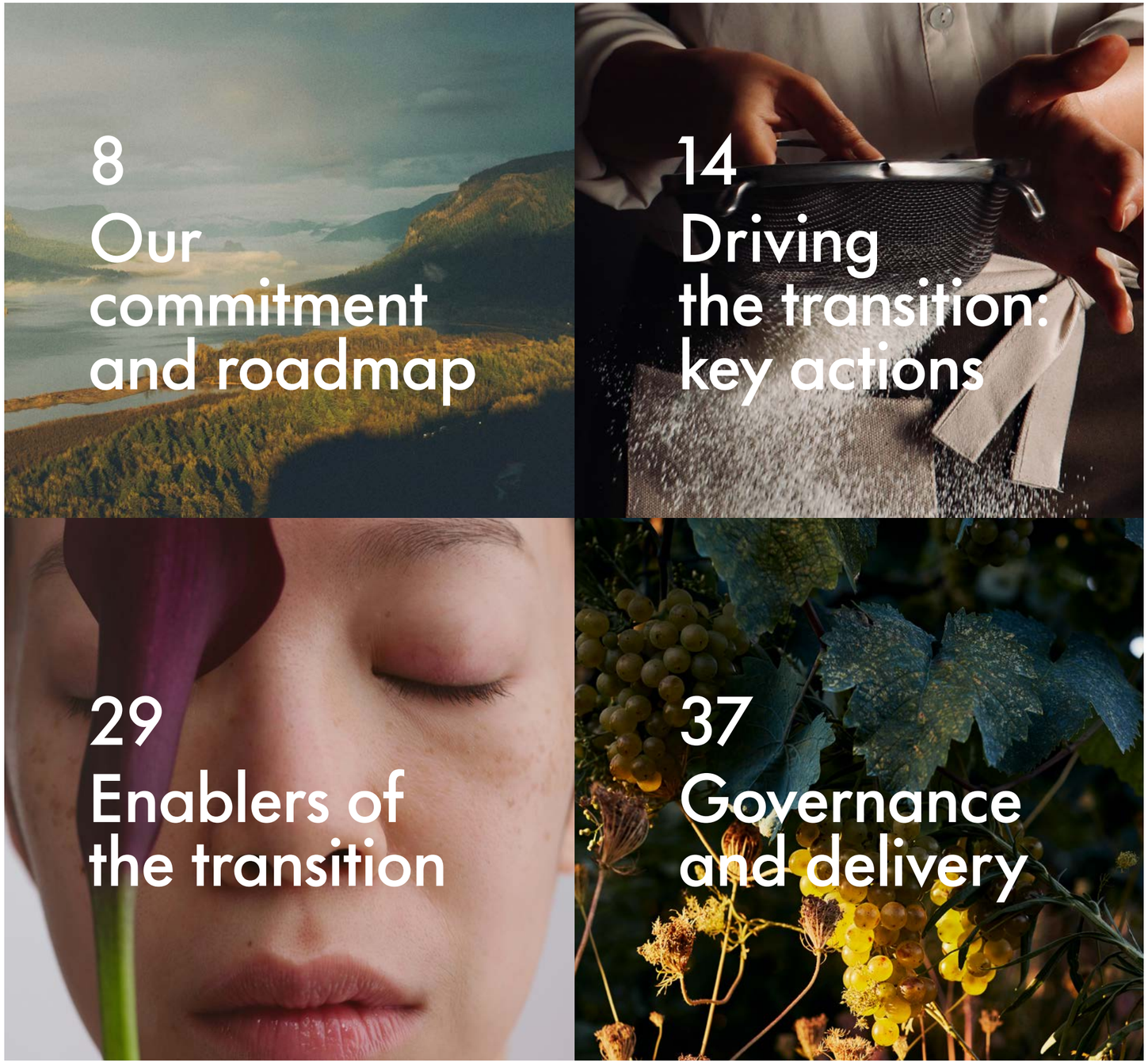


Setting the stage

Leading with purpose

"We are proud to share a significant milestone on our climate journey: the validation of our 2045 net-zero targets by the Science Based Targets initiative (SBTi).

Gilles Andrier, CEO
Willem Mutsaerts, Head of Global Procurement and Sustainability

Climate change is one of the most defining challenges of our time. It threatens the natural systems humanity relies on and poses profound risks to businesses, communities and future generations. At Givaudan, we recognise climate change as a material topic and see climate action not just as a shared responsibility but as a fundamental part of our purpose: "Creating for happier, healthier lives with love for nature. Let's imagine together."

Givaudan has a strong track record on environmental initiatives, strengthened in 2015 by our commitment to the Paris Agreement. Since then, we have set ambitious goals, including achieving 100% purchased renewable electricity, reporting climate-related information in mainstream disclosures and adopting science-based emissions reduction targets. In 2019, we were among the first major companies to join the UN Business Ambition for 1.5°C through the Science Based Targets initiative (SBTi), reinforcing our dedication to limiting global warming. We've since made substantial progress in reducing our operational emissions but we recognise that there is still much more to be done.

Our primary climate ambition is to become net zero – achieving a balance between the greenhouse gases we emit and those we remove from the atmosphere. Reaching this goal requires urgent, bold action across every part of our business and value chain. That's why we are proud to share a significant milestone on our climate journey: the validation of our 2045 net-zero targets by SBTi, aligned with their Net-Zero Standard. Our targets include achieving net-zero greenhouse gas emissions across our entire value chain by 2045, supported by ambitious near- and long-term goals, including specific Forest, Land and Agriculture (FLAG) targets to address emissions associated with natural raw materials.

This net-zero transition plan explains how we will turn these targets into concrete action. It provides a clear roadmap for reducing emissions at their source, transforming how we operate and addressing the impact of our entire value chain. While reduction is our top priority, we will also balance unavoidable emissions through credible neutralisation measures, guided by the latest science and best practices.

Collaboration is key to making a real impact on climate change within our operations, with our suppliers, our customers and across industries and governments. Progress also depends on transparency, which is why we are committed to sharing updates, holding ourselves accountable and continuously striving to do better. A detailed account of our global efforts is published annually in the Givaudan Integrated Report.

The path to a net-zero future is complex and difficult, but a sense of urgency and purpose drives us forward. Through the actions outlined in this plan, and with the support of our partners and stakeholders, we are de-risking our business supply chain while creating lasting, positive change for the planet and future generations.

A history of achievements in climate action

With our heritage stretching back over 250 years, we are committed to driving purpose-led, long-term growth by increasing our positive impact on nature and improving people's health and happiness. It's a commitment to create shared value for the business, society and nature.

2015

› Committed to **RE100** and to set a Science Based Target

2017

› Set our GHG emissions target in line with **SBTi**

2018

› **CDP A** for climate change for the first time

2019

› GHG emissions reduction as part of the launch of the purpose: **Creating for happier, healthier lives, with love for nature. Let's imagine together.**

› Aligned target to 1.5°C and signed the **UN's Business Ambition for 1.5°C,** reinforcing our commitment to become climate-positive before 2050

› Committed to implementing TCFD recommendations

2020

› Signed the Corporate Leaders Group Europe CEO letter to the EU on **2030 greenhouse gas emissions targets**

› **CDP A** for climate change

2021

› New **Sourcing4Good** programme

› **Performance Share Plan** (PSP) for executives included **scope 1+2+3 criteria**

› Joined **Together for Sustainability** (TfS)

› Engaged as Advisory Board members in the **Renewable Carbon Initiative**

› Aligned with **TCFD principles,** including the recommendations

› **CDP A** for climate change

2022

› **ESG fully integrated** in the Company business strategy

› **CDP A** for climate change

2023

› Conducted **first double materiality assessment**

› **CDP A** for climate change

› **CDP A–** for forest for the first time

2024

› Participanted in updating the **TfS Product Carbon Footprint** guideline

› 2045 net-zero targets validated by **SBTi**

› Reported on **Climate-related Financial Disclosures**

› Aligned with **TNFD**

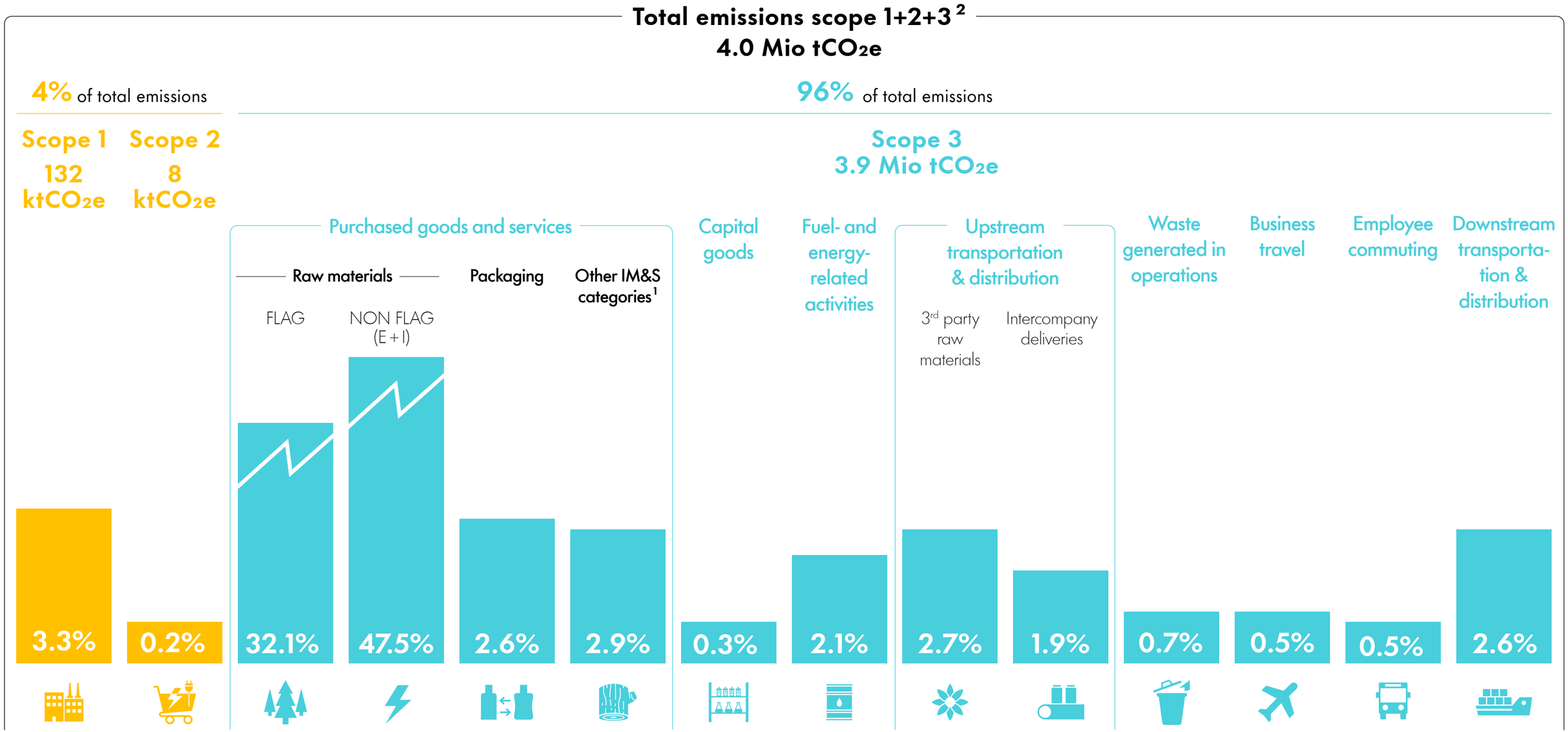
› **CDP A** for climate change

2025

› Publication of our **net-zero transition plan**

› **100% purchased renewable electricity** achieved

Our GHG emissions footprint



1. IM&S (Indirect Materials & Services), excluding existing categories.
2. Total emissions scope 1+2+3 are based on 2024 figures.

We track our emissions across scope 1+2+3, following the GHG Protocol Corporate Standard. This includes emissions from our own operations (scope 1+2) and those from our value chain (scope 3), covering both energy and industrial (E + I) emissions and FLAG emissions. We measure all relevant greenhouse gases, such as carbon dioxide and methane, expressing them in terms of equivalent measurements of carbon dioxide (CO_2e).

To ensure accountability, we continuously measure our greenhouse gas emissions and report annually to external stakeholders across our value chain. This data is verified by an external third party, reinforcing transparency. We also disclose our progress through external assessment platforms such as CDP, continuously improving data quality and refining our reduction strategies.

GHG emissions accounting is an evolving field, with methodologies and standards advancing to enhance accuracy and consistency. We proactively adapt to these changes, aligning with the latest standards. Givaudan uses a 2015 baseline for scope 1+2 and a 2020 baseline for scope 3. Baseline adjustments are a standard part and best practice of emissions strategies, ensuring improving accuracy as methodologies evolve and acquisitions impact our footprint.

In 2024, Givaudan's total emissions were around 4.0 Mio tonnes of CO_2e, with the breakdown detailed in the infographic above. Recognising that natural raw materials are core to our products and emissions, we have set FLAG-specific targets in line with SBTi requirements. This ensures we address key sources of emissions while protecting the sustainability of the natural resources essential to our business.

READ MORE
Risks › pp 41–42
www.givaudan.com › Scope 3 calculation methodology

The importance of FLAG emissions reductions

FLAG emissions account for about 30% of our Scope 3 footprint. To address this, we have set specific reduction targets aligned with the Science Based Targets initiative (SBTi), reinforcing our commitment to a net-zero future. Reducing these emissions is not just an environmental duty; it is essential for the long-term resilience of our business.

Unsustainable land use and agricultural practices threaten biodiversity, disrupt supply chains and endanger the availability of key ingredients at the core of our creations. By measuring and working FLAG emission reductions, Givaudan:

- Strengthens its supply chain through **sustainable sourcing**
- Protects vital ecosystems that **support biodiversity**
- Leads in sustainable value creation while **supporting global climate goals.**

Givaudan's net-zero transition plan

Our commitment and roadmap

Our transition approach

Our ambition is clear: to reach net zero by 2045 and continue our journey towards a climate-positive business. To drive this transition, we have set ambitious near- and long-term targets, including specific FLAG targets to address emissions from natural raw materials.

As we transition towards net zero, we recognise both the risks and opportunities posed by climate change – requiring us to take a proactive approach that integrates sustainability into every aspect of our business. Our transition strategy is guided by science, aligned with best practices, and built on strong partnerships to drive lasting change.

1 A science-based approach to net zero

We are committed to reaching net-zero GHG emissions across our value chain by 2045, with near-term and long-term GHG reduction targets aligned to the SBTi Net-Zero Standard for the 1.5°C trajectory.

We are taking a structured and science-based approach to reach net-zero emissions. Our first priority is to reduce emissions throughout our entire value chain. For any remaining emissions that cannot be eliminated, we plan to use recognised solutions such as carbon removal (neutralisation) or high-quality offsets (compensation). Our strategy is based on globally recognised standards, helping us lead the way in sustainable business practices.

2 Decarbonisation and FLAG emissions

Recognising the significant role of FLAG emissions due to our reliance on natural raw materials, we have set specific FLAG targets in line with the latest best practices. We have used guidance from the draft GHG Protocol Land Sector and Removals Guidance to account for FLAG emissions and will adopt the final version upon publication.

By managing land-based emissions, i.e. FLAG emissions, separately from energy and industrial emissions, we can take targeted action. This includes reinforcing our deforestation and conversion-free (DCF) requirements across key supply chains and advancing regenerative agriculture practices.

3 Climate resilience and adaptation

Climate adaptation and resilience are key components of our transition strategy. We have identified how climate-related impact could affect our operations and supply chain and are taking targeted actions to strengthen our business continuity and long-term sustainability. Our focus is on enhancing the resilience of our sites and collaborating with suppliers to support sustainable agricultural practices. By embedding climate risk management into our strategy, we ensure that we are prepared for future challenges while contributing to a more sustainable global supply chain.

4 Driving systemic change through collaboration

Climate change presents both significant risks and unique opportunities for Givaudan, impacting our operations and global supply chain. A key part of our transition strategy is leveraging our procurement organisation to drive supplier innovation for low-carbon ingredients and sustainable agricultural practices. Our creation teams are also working on ways to lower product carbon footprints (PCF) by enhancing formulations that reduce emissions to support our customers' climate journey.

While these internal efforts are crucial, collaboration with external stakeholders is equally essential to amplify our impact. By working with regulators, industry partners and NGOs, we gain fresh insights, access to new technologies and added credibility. Engaging with these stakeholders enables us to drive broader global progress on climate resilience and contribute to industry-wide standards.

Looking ahead

The following pages outline the key actions that we must undertake for our net-zero journey, with a focus on reducing our emissions by 2030. A significant challenge on this journey comes from the portion of value chain emissions beyond our direct control, making collaboration essential.

Therefore, Givaudan is committed to working with peers, regulators and stakeholders to drive systemic change and foster alignment. Our plan focuses on our actions from now until 2030, and will continue to evolve and be updated accordingly in the coming years, including further detailed actions planned between 2030 and 2045.

Achieving net zero is a collective effort, and we are dedicated to continuous improvement, innovation and leadership in sustainable transformation.

What others say about us…

"Businesses have a crucial role to play in tackling climate change, and ***Givaudan's science-based approach is a model for responsible corporate action.*** *Their commitment to net zero by 2045 aligns with the urgent need to limit global warming and sets an important step forward for companies across industries."*

Alexander Nick, WBCSD Director, Climate and Nature Imperatives

Our journey to net zero

To reach our ambitions:

Our actions

Our operations (scope 1+2)

› Energy efficiency

› Renewable energy sources

Our supply chain (scope 3)

› Sustainable procurement of ingredients

› Low-carbon creations

› Driving circularity and upcycling

› Optimising packaging, logistics and transport of goods

Neutralisation/compensation

› Natural Climate Solutions (NCS)

› Carbon Capture, Storage and Removal technology (CCSR)

Enablers

› Scope 3 model enhancement

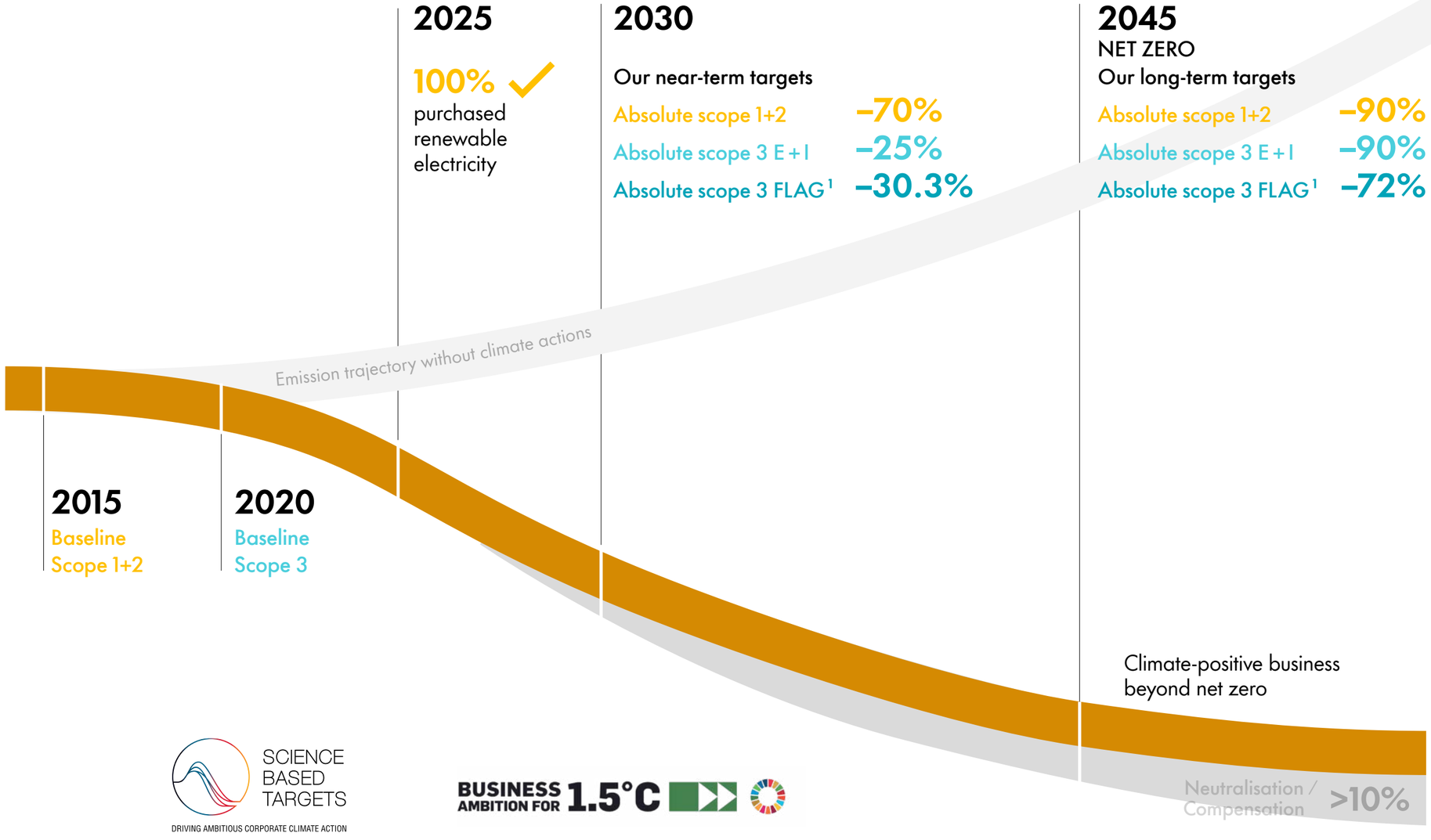
› Engaging suppliers for low-carbon future

› Budget and financial mechanisms

› Collaborating with key partners

› Innovation

› Governance



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

1. We also commit to no deforestation across our primary deforestation linked commodities, with a target date of 31 December, 2025.

Beyond carbon: our holistic environmental commitment

As a purpose-led Company, we recognise that reaching our net-zero targets involves more than just reducing GHG emissions; it requires a holistic strategy that encompasses various environmental initiatives.

Guided by our 'double materiality' approach, we assess our environmental impacts alongside the climate-related risks and opportunities that affect our business. This perspective enables us to identify critical risks, trade-offs and opportunities, allowing us to build a resilient business model that effectively addresses climate challenges.

Our action plan integrates insights from both internal and external stakeholders, maintaining a dynamic approach with a transitional blueprint that allows us to advance, learn and evolve. This adaptability not only strengthens our business, but also empowers our customers and suppliers to accelerate their sustainability journeys. Our environmental ambitions touch upon several key areas such as:

1 Water security

We strive to be an industry leader in water conservation and security, and we aim to use water in a socially equitable, environmentally sustainable and economically beneficial way.

- Improve water efficiency by a **25%** water withdrawal rate reduction on sites facing water stress by 2030
- Continuously improve water efficiency on all other sites by a water withdrawal rate reduction
- **100%** of our wastewater discharge to meet or exceed regulatory and industry standards by 2030.

2 Waste management and circular principles

We prioritise waste reduction and responsible management to minimise our environmental footprint, driving circular practices that foster sustainability across our operations.

- **Zero** operational waste directed to landfill for all manufacturing sites by 2030
- Decrease operational waste for disposal intensity by **15%** by 2030
- **100%** plastics circularity by 2030.

3 Biodiversity and ecosystems

Our ambition is to contribute, through action in our own operations and in our supply chains, to preserving and restoring biodiversity and ecosystems.

- We will source our critical agricultural commodities without contributing to deforatation or natural ecosystem conversion by 2030
- We will source our key raw materials from supply chains engaged in Regenerative Agriculture by 2030.

4 Responsible sourcing

By ensuring the integrity and quality of the materials we source, we balance economic performance with environmental and social responsibility. Our strategic engagement with suppliers allows us to adhere to ethical sourcing practices, promote resource efficiency and foster reduced environmental impact.

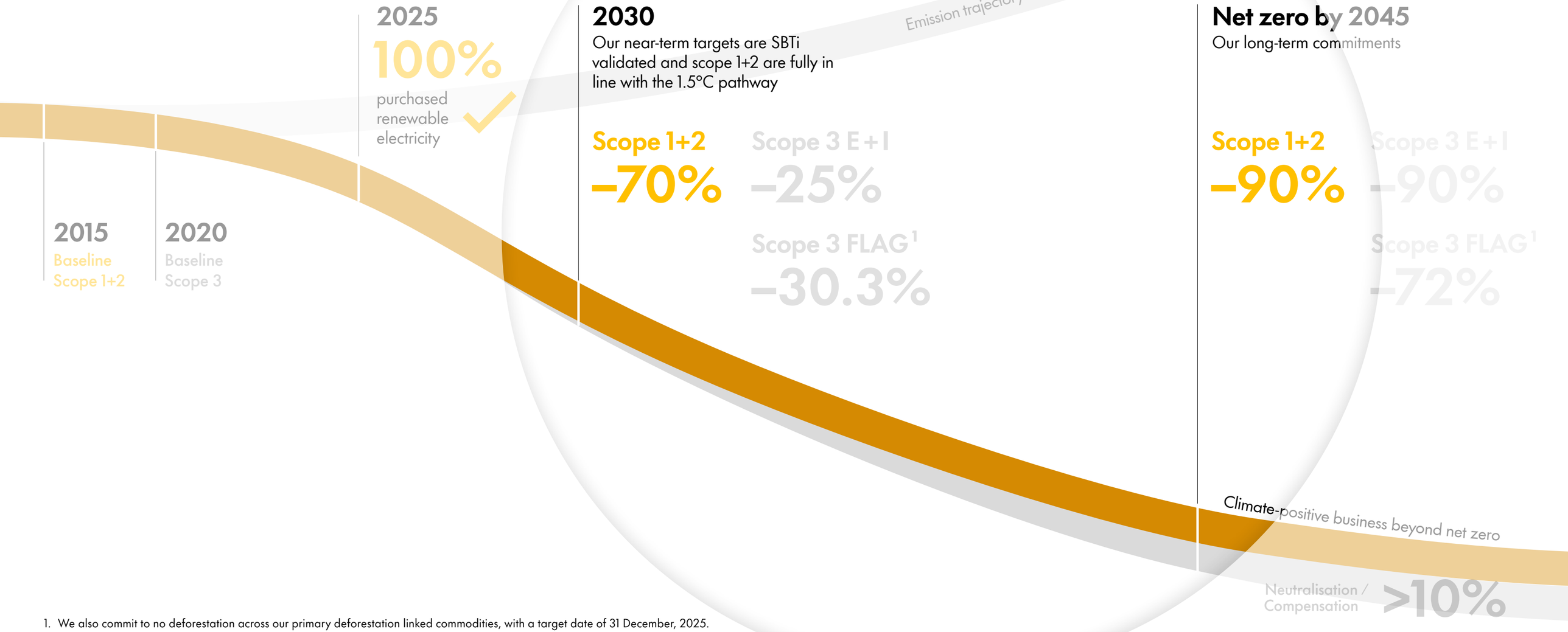
- **100%** of materials and services will be sourced responsibly by 2030.

5 Innovation

We support our customers in developing sustainable creations by prioritising biodegradable and renewable materials, refining formulations and advancing low-carbon, circular and upcycled solutions to minimise environmental impact.

Driving the transition: key actions

Accelerating action: focus on our operations' scope 1+2 emissions



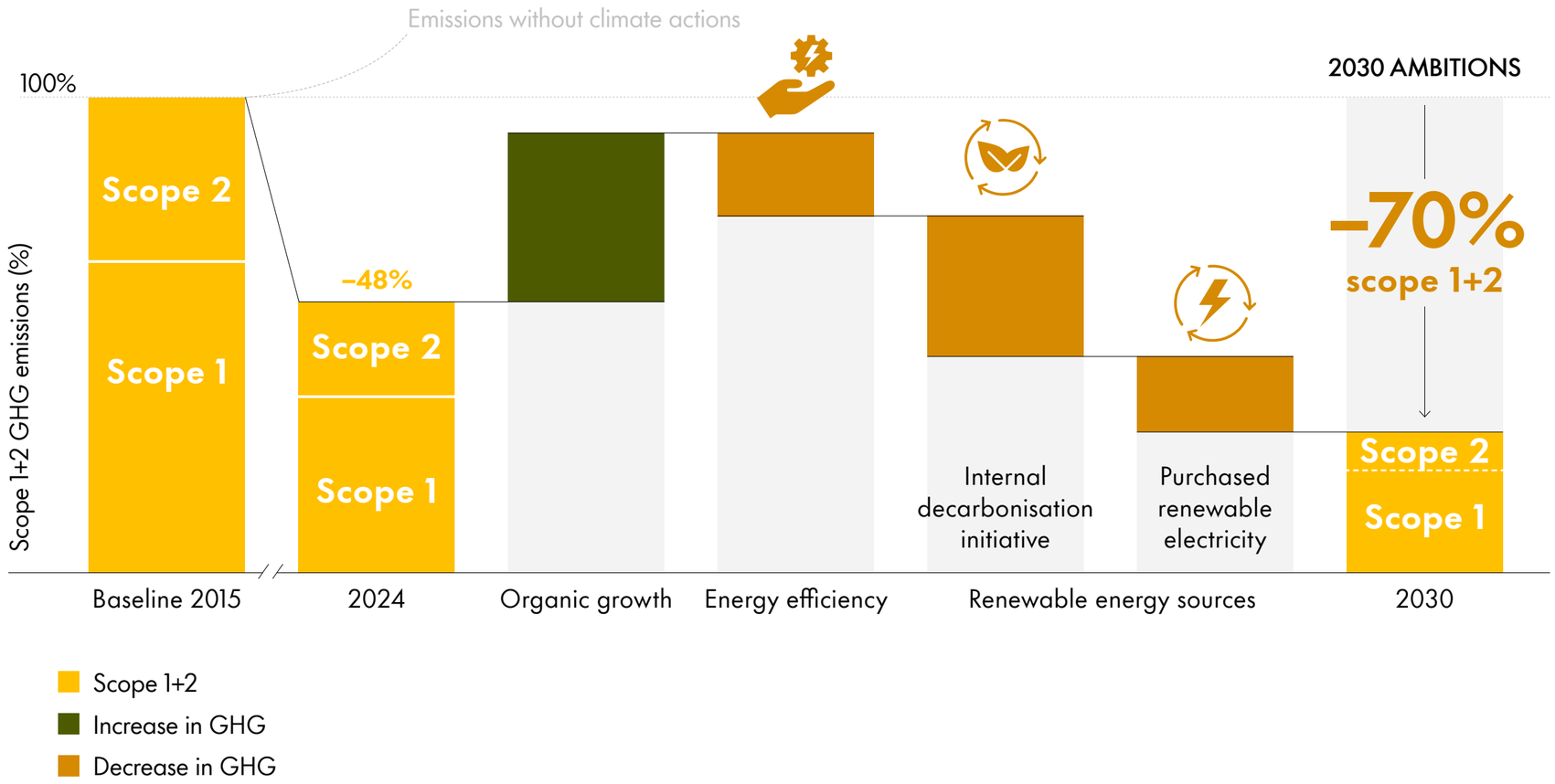
1. We also commit to no deforestation across our primary deforestation linked commodities, with a target date of 31 December, 2025.

Reducing our scope 1+2 emissions: the path forward[1]

We recognise that energy efficiency and the transition to renewable energy are fundamental to reducing our scope 1+2 emissions and building a more sustainable future.

However, as our business continues to grow, the challenge of fully decoupling growth from emissions becomes more pronounced. While organic growth reflects the strength and success of our operations, it can increase overall energy demand, requiring even greater innovation and commitment to achieve absolute emissions reductions.

By optimising resource use, advancing digital monitoring and accelerating the shift away from fossil fuels, we are strengthening the resilience and efficiency of our operations. From enhancing energy performance across our sites to scaling up renewable energy solutions, we are committed to a comprehensive, data-driven approach. By 2030, we aim to ensure that every aspect of our energy consumption supports emissions reduction while reinforcing our long-term sustainability goals.



1. This glide path is an estimate based on current assumptions and projections. It is subject to change as new information, methodologies, or circumstances emerge over time.

Key actions

Energy efficiency

We focus on reducing energy consumption as a core lever to lower our scope 1+2 emissions, drive operational improvements, reduce costs and strengthen our environmental performance.

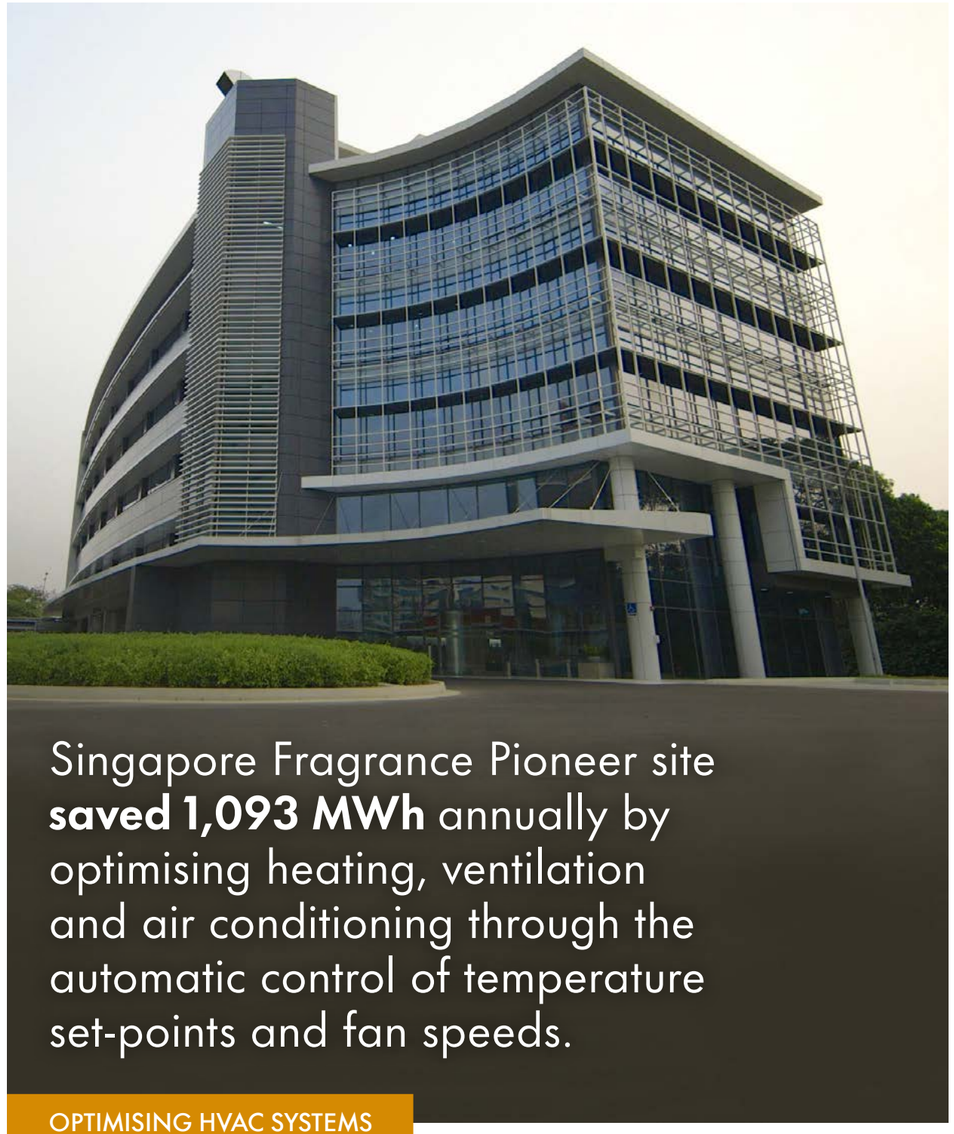
Objectives

- **Improving thermal and electrical efficiency at our sites:** We aim to optimise the efficiency of our utilities systems through advanced automation, recovering waste heat and similar measures.
- **Driving continuous improvement:** We foster a culture of innovation and efficiency, and continuously work on improving our manufacturing processes and equipment cleaning methods to be more energy-conserving.
- **Leveraging more digital tools and analytics:** We monitor real-time energy consumption to identify additional areas for improvement.
- **Promoting a performance-driven energy culture:** We set clear performance objectives and track local energy and water consumption through regular monitoring of manufacturing sites.

Key Initiatives

- **Conducting energy site assessments:** Over the past five years, we have conducted more than 40 audits with third-party experts, complemented by regular internal audits, to identify and address energy efficiency improvement opportunities.
- **Implementing a utilities best-practices programme:** We track and validate the application of energy best practices across our operations in key categories such as HVAC, maintenance, lighting, insulation and behavioural change. This programme has already led us to achieve 90% implementation of these best practices globally.
- **Using real-time digital tools:** We collect real-time data on utility consumption through our metering platform (ULTIMO), empowering teams to proactively identify anomalies and optimise energy use, enhancing overall operational efficiency.
- **Improving production processes:** We continuously explore innovations in our production processes to reduce water and energy use and minimise waste. As an example, we have improved the manufacturing process of one of our Fragrance & Beauty ingredients, Florhydral™, by removing a distillation step. This enabled us to save 280 tonnes in scope 1 GHG emissions.
- **Recovering waste heat:** We capture waste heat from our processes and reuse it to reduce overall energy demand.

~25% **reduction in GHG emissions**[1]



Singapore Fragrance Pioneer site **saved 1,093 MWh** annually by optimising heating, ventilation and air conditioning through the automatic control of temperature set-points and fan speeds.

OPTIMISING HVAC SYSTEMS

1. Scope 1+2 GHG emissions reduction estimated over the period 2015–2030.

Renewable energy sources

We are committed to phasing out fossil fuels and sourcing renewable electricity in order to decarbonise thermal and electrical energy used at our sites. These renewable energy sources include solar, hydro, geothermal and sustainably-sourced biomass and biofuels. This commitment supports our goal of meeting our 2030 scope 1+2 emissions reduction targets while enhancing our overall sustainability approach.

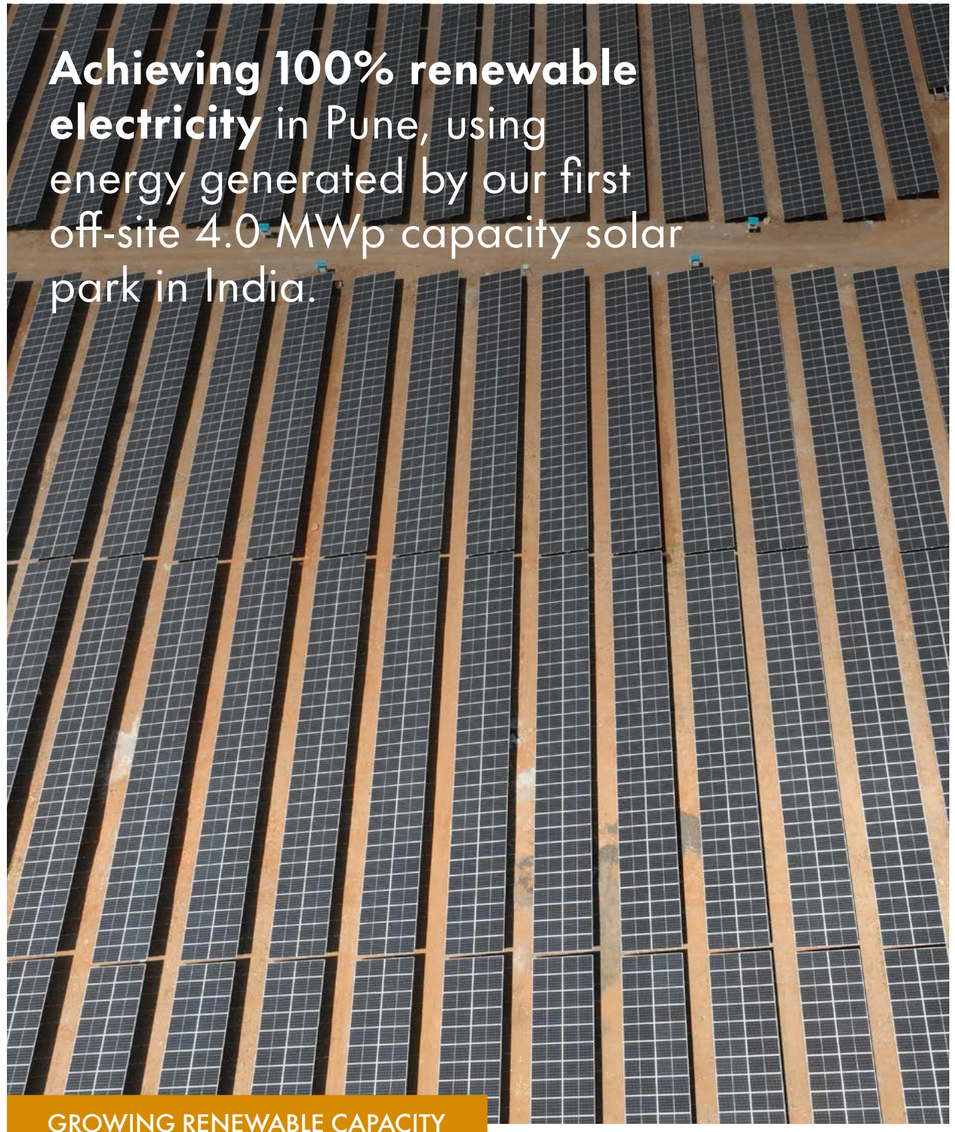
Objectives

- **Accelerating decarbonisation:** We transition to renewable energy sources to reduce our reliance on fossil fuels and minimise our carbon footprint.
- **Using renewable electricity:** We develop renewable electricity generation projects at our own sites, external locations and acquired sites, leveraging Power Purchase Agreements (PPAs) to support our commitment.
- **Integrating climate targets into production capacity increases:** We ensure that all new greenfield projects are designed to meet our climate commitments from the outset.

Key Initiatives

- **Expanding renewable electricity capabilities:** We prioritise on-site generation, off-site projects, PPAs and the procurement of Electricity Attribute Certificates (EACs) to increase our renewable electricity share and support energy infrastructure growth. We have also installed solar panels at several on- and off-site locations, reaching 100% of purchased electricity from renewable energy sources at our production sites.
- **Conducting decarbonisation assessments:** We carry out external and internal evaluations at our 15 top GHG-emitting sites (representing 59% of our emissions) to identify and prioritise opportunities, forming the foundation of our 2030 decarbonisation project roadmap.
- **Exploring electrification and alternative fuels:** We utilise technologies such as heat pumps, solar energy, biomass and biofuels to reduce our dependence on fossil fuels, optimising decarbonised solutions tailored to each site's location and capacity.
- **Embedding sustainability in production capacity extensions:** We perform environmental sustainability studies for all greenfield production sites to ensure new facilities are designed and operated within a net-zero framework.

~75% **reduction in GHG emissions**[1]



GROWING RENEWABLE CAPACITY

1. Scope 1+2 GHG emissions reduction estimated over the period 2015–2030.

Key dependencies

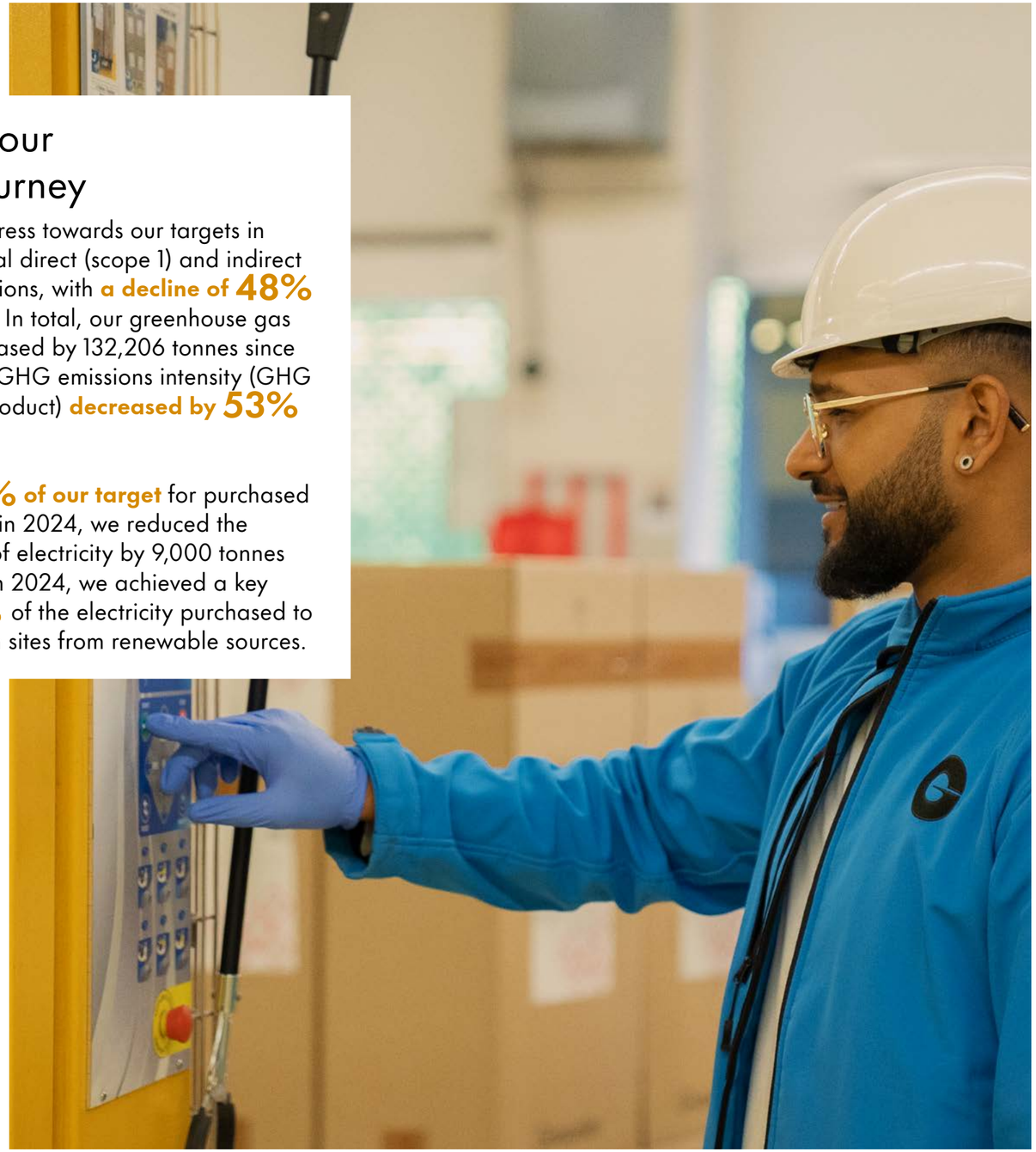
The successful implementation of Givaudan's scope 1+2 reduction plan relies on several interrelated dependencies:

- **Impacts of operating costs:** Changes in GHG tax/price regulation can impact Givaudan's direct operations by increasing operating costs, for example, additional taxes on fuel, energy or carbon emissions.
- **Government policies:** This includes the adoption of energy-efficient technologies and renewable energy sources at production facilities. This transition is heavily influenced by supportive government policies and incentives that promote energy efficiency and renewable energy adoption.
- **Financial investment:** Adequate funding is necessary to support the implementation of energy-efficient technologies and renewable energy projects. Givaudan must also ensure that its workforce is trained and engaged in sustainability initiatives, fostering a culture of environmental responsibility throughout the organisation.
- **Fossil fuel:** Our dependency on fossil fuels implies exposure to carbon taxes and other regulatory costs linked to greenhouse gas emissions, increasing operational expenses. By reducing this dependency, we can better control costs while enhancing our environmental performance.
- **Workforce skills and capacity:** We have an ongoing need for employee training in energy efficiency and sustainable operations.

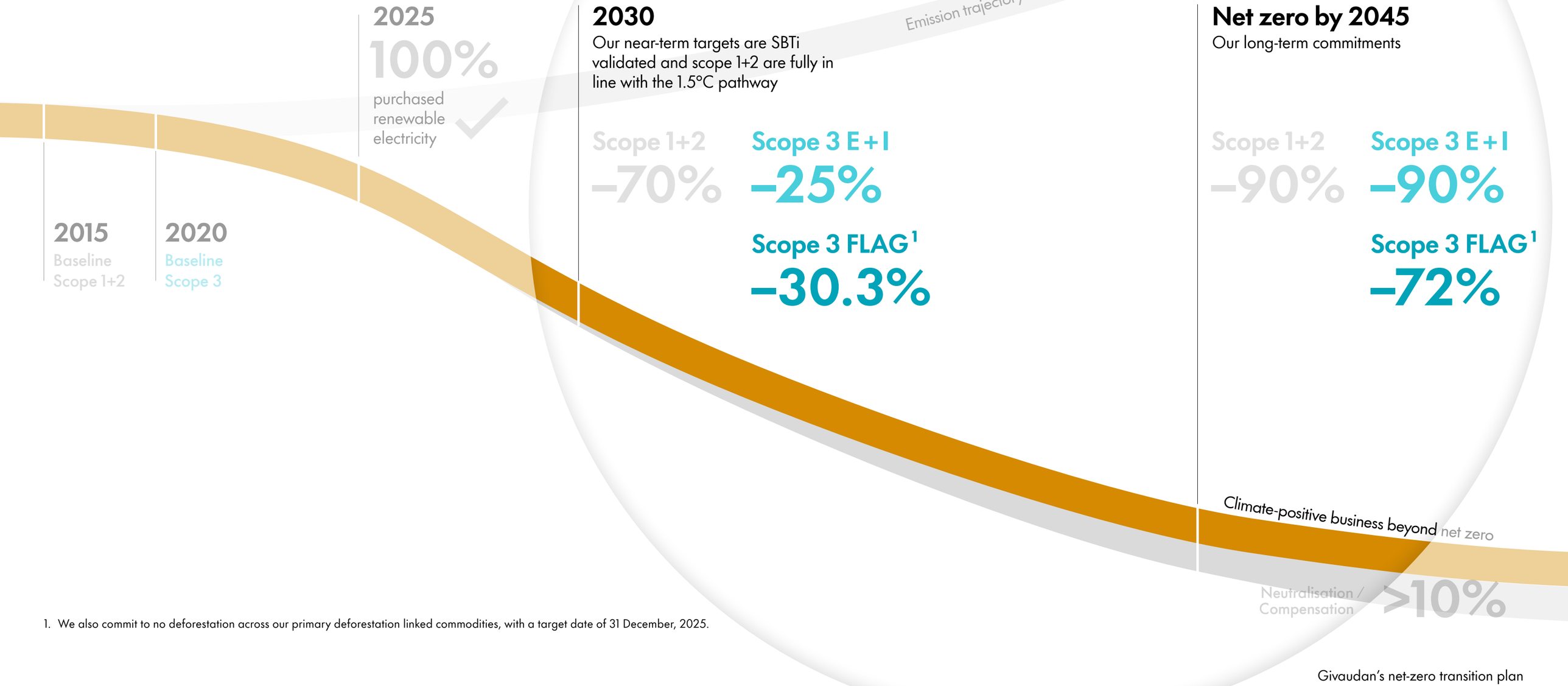
Snapshot of our scope 1+2 journey

We made good progress towards our targets in 2024 on absolute total direct (scope 1) and indirect (scope 2) GHG emissions, with **a decline of 48%** vs. the 2015 baseline. In total, our greenhouse gas emissions have decreased by 132,206 tonnes since 2015. Our scope 1+2 GHG emissions intensity (GHG emissions/tonne of product) **decreased by 53%** since 2015.

By achieving 100% of our target for purchased renewable electricity in 2024, we reduced the GHG emission load of electricity by 9,000 tonnes compared to 2023. In 2024, we achieved a key milestone of **100%** of the electricity purchased to power our production sites from renewable sources.



Accelerating action: focus on our value chain's scope 3 emissions



1. We also commit to no deforestation across our primary deforestation linked commodities, with a target date of 31 December, 2025.

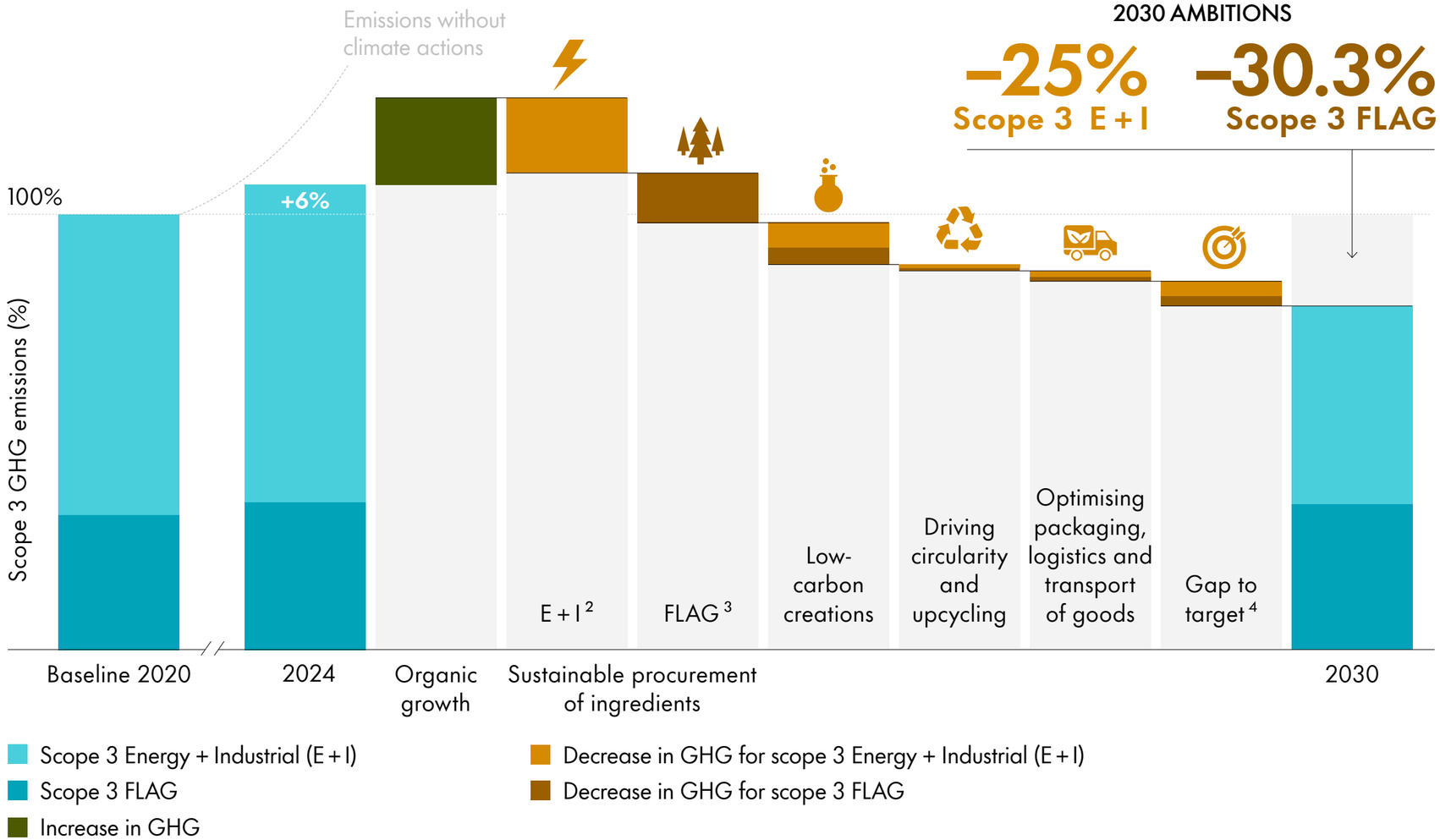
Givaudan's net-zero transition plan

Reducing our scope 3 emissions: the path forward[1]

By embedding sustainability into every aspect of our value chain – sourcing responsibly, innovating low-carbon creations, driving circularity, optimising logistics and fostering supplier engagement – Givaudan is supporting the collective effort towards a low-carbon future.

Our efforts not only contribute to our net-zero ambition, but also ensure long-term value creation for our stakeholders, customers and the planet. However, as our business and customer demand continue to grow, the challenge of fully decoupling growth from value chain emissions remains significant. While this growth reflects the success and resilience of our company, it increase demand for natural raw materials, production, and logistics, requiring even greater innovation and collaboration to achieve absolute Scope 3 reductions.

We recognise that sourcing, creation and operational efficiency are powerful levers for reducing our scope 3 emissions and driving sustainable transformation. As natural raw materials, product innovation and logistics practices play a critical role in our climate ambition, we are committed to integrating low-carbon strategies across our entire value chain. From optimising packaging and transportation to enhancing supply chain sustainability, we are taking a holistic approach to emissions reduction. By 2030, we aim to ensure that key aspects of our value chain contribute to reducing emissions, while supporting our customers in achieving their own decarbonisation goals.

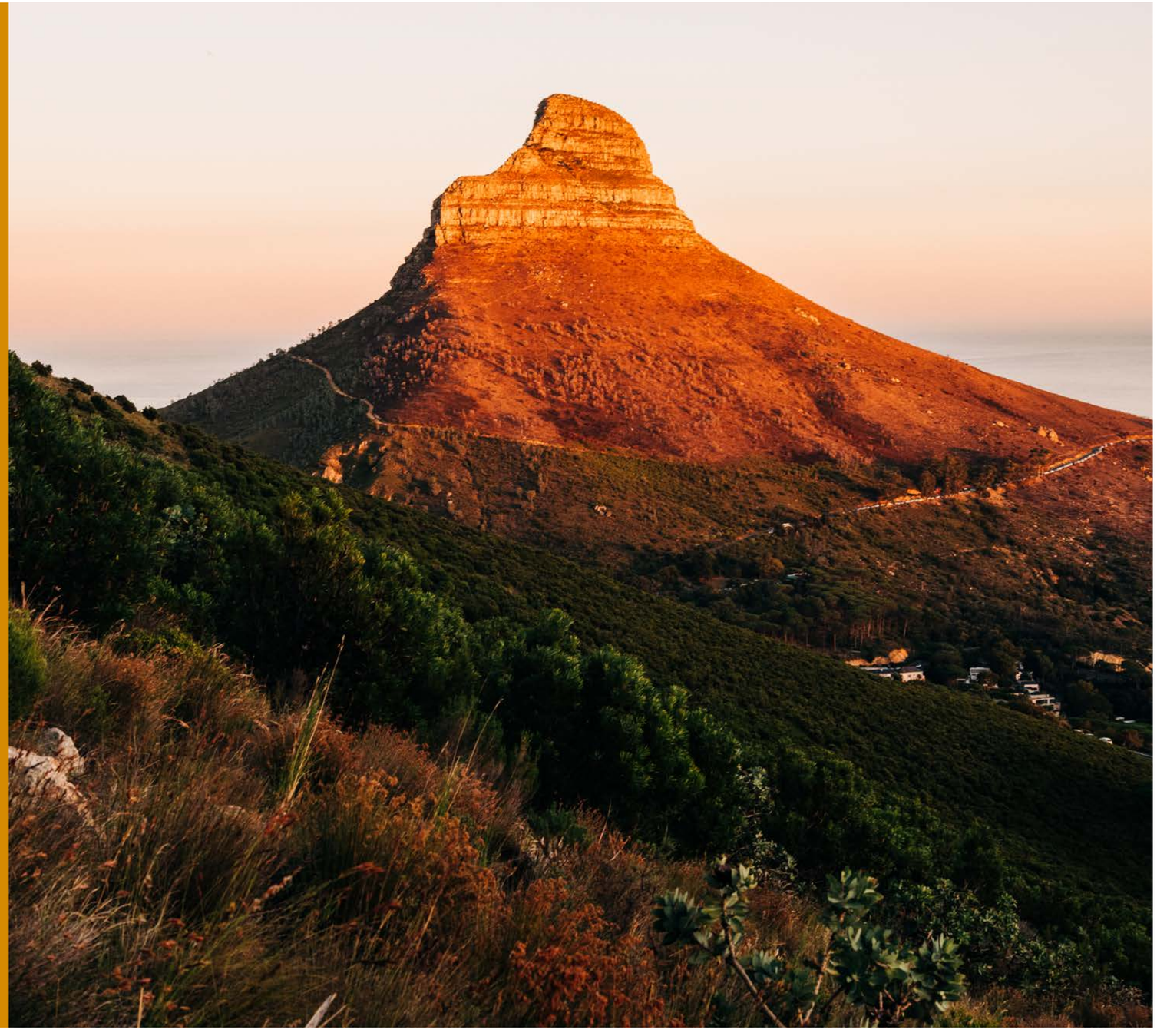


1. This glide path is an estimate based on current assumptions and projections. It is subject to change as new information, methodologies, or circumstances emerge over time.
2. E+I: Including supplier engagement, renewable energy sources in the supply chain and energy grid decarbonisation.
3. FLAG: Including deforestation and conversion free supply chains and regenerative agriculture.
4. The gap to our targets shows the emissions we still need to reduce by improving or implementing new solutions.

What others say about us…

"Givaudan is turning ambitious climate goals into action. By working with us on supply chains and backing landscape initiatives, they're ***helping protect forests and strengthen farmer livelihoods.*** *Investing beyond direct operations shows how net-zero can only be achieved by nurturing the landscapes that support resilient communities and sustainable business."*

Robin Hobkirk, Project Manager, Earthworm Foundation



Key actions

Sustainable procurement of ingredients

Objectives

› **Reducing emissions in raw material sourcing:** We focus on purchasing raw materials with a lower emission factor and work with suppliers to implement targeted emissions reduction initiatives.

› **Enhancing supply chain accountability:** We actively engage suppliers to ensure compliance with sustainability requirements, such as deforestation and land conversion-free (DCF) commitments, while aligning with evolving regulatory frameworks such as the European Union Deforestation Regulation (EUDR).

› **Supporting the transition to sustainable agricultural practices:** While regenerative agriculture (RegenAg) is a long-term process, we are progressively working with suppliers and farmers to implement sustainable agricultural practices that contribute to reducing environmental impacts.

Key Initiatives

› **Enhancing supplier engagement and compliance:** Strengthening contract requirements, conducting regular sustainability assessments and integrating sustainability performance metrics into procurement decisions.

› **Sourcing low-carbon raw materials:** Prioritising materials with lower PCFs, increasing RSPO-certified palm oil sourcing and supporting innovative material substitution.

› **Advancing RegenAg:** Partnering with suppliers in key regions to introduce sustainable farming techniques, supporting farmers and exploring funding mechanisms for scaling RegenAg adoption.

› **Adopting SiGREEN PCF exchange platform:** Establishing a centralised hub for industry data harmonisation, enhancing PCF transparency and driving global alignment in emissions reporting across our supply chain.

› **Driving energy and industrial improvements in the supply chain:** Collaborating with suppliers to transition to renewable energy sources and enhancing energy efficiency in production processes.

› **Strengthening Deforestation and Conversion-Free (DCF) Commitments:** Reinforcing our DCF requirements across key supply chains and identifying FLAG emissions to focus on high-risk natural supply chains.

Through these initiatives, we are positioning Givaudan as a leader in sustainable procurement and reducing scope 3 emissions while fostering positive environmental and social impacts.

~60% **total reduction in GHG emissions**[1]

REGENERATIVE AGRICULTURE

1. Estimated contribution to the total reduction needed to hit the Near Term SBTi target.

Low-carbon creations

The creation and innovation phase provides significant opportunities to design products with a lower environmental impact, reducing our own emissions while supporting our customers' reduction goals.

Objectives

- **Embedding carbon-conscious design:** Our Science & Technology and Formulation teams integrate greenhouse gas (GHG) emission factors into product design, focusing on selecting low-carbon ingredients, researching and selecting ingredients that are less carbon-intense and leveraging innovative production technologies.
- **Scaling renewable carbon solutions:** We prioritise renewable carbon sources that avoid fossil-based feedstocks, reducing atmospheric carbon accumulation and strengthening our transition to sustainable formulations.
- **Enhancing efficiency through compaction:** We design highly concentrated formulations that use fewer raw materials while maintaining performance, reducing emissions across the product lifecycle.
- **Reducing consumption of raw materials identified as scope 3 emission hotspots:** We have dedicated cross-functional groups to developing the best decarbonisation levers and actions for these hotspots.

Key Initiatives

- **Fragrance compaction programme:** Our approach to fragrance compaction enables us to design more concentrated fragrances for all product categories. This results in lower material usage, reduced transportation emissions and enhanced sustainability for our customers.
- **Biotechnology for sustainable ingredients:** We leverage biotechnology to develop bioprocesses that improve environmental performance, aligning with our FiveCarbon Path™ strategy for fragrances.
- **Innovating with renewable carbon:** Renewable carbon comes from sources that avoid or replace fossil carbon. Plants naturally capture carbon, and emerging technologies now replicate this process. By increasing the use of renewable carbon, we reduce dependence on fossil feedstocks and limit GHG emissions.
- **Sustainable flavours replacement:** We provide sustainable alternatives for natural ingredients such as citrus, which helps to mitigate environmental impact while ensuring a stable ingredient supply.

~20% **total reduction in GHG emissions**[1]

Our FiveCarbon Path™ focuses on the **efficient use of carbon in fragrance creation,** leveraging sustainable chemistry and biotechnology. Key elements include:

- use of renewable carbon
- carbon-efficient synthesis to reduce waste
- maximising biodegradability
- high odour-per-carbon ratios for enhanced performance
- upcycling carbon from side streams.

FIVECARBON PATH™

1. Estimated contribution to the total reduction needed to hit the Near Term SBTi target.

Driving circularity and upcycling

At Givaudan, we integrate circular principles into our innovation processes to maximise resource efficiency and minimise waste.

Objectives

- **Maximising material circularity:** We aim to develop creative solutions to upcycle and valorise waste streams, reducing carbon footprints while increasing resource efficiency.
- **Ensuring safety and sustainability by design:** Our processes prioritise energy and material efficiency while minimising water consumption and emissions.

Key Initiatives

- **Innovative process design:** We continuously explore new methods to recover and reuse process side streams, ensuring that every material is utilised to its full potential. Unused or unwanted materials are upcycled, transforming them into valuable feedstocks for new product cycles.
- **Sustainability by design:** Our approach integrates safety and sustainability considerations from the early stages of product and process development, ensuring long-term environmental benefits.

~3% **total reduction in GHG emissions**[1]

GREEN BANANA POWDER

1. Estimated contribution to the total reduction needed to hit the Near Term SBTi target.

Packaging, logistics and transportation

Objectives

- Optimising packaging, logistics and transportation to reduce emissions.
- Increasing circularity, using renewable solutions and improving efficiency across our supply chain.

Key Initiatives

- **Optimising packaging:** We aim to reduce material usage, enhance recyclability and utilise renewable materials, while focusing on lightweight solutions to minimise emissions.
- **Sustainable transportation:** We are working on optimising logistics to reduce distances and transportation emissions.

~5% **total reduction in GHG emissions**[1]

Bridging the emissions gap

Objectives

- Striving to decouple growth from emissions.
- **Future-proofing our business:** Ensuring that expansion aligns with long-term environmental responsibility.

Key Initiatives

- Aligning our emissions reduction efforts with our growth targets.
- Ensuring that our sustainability measures support our long-term sales growth target.
- Finding new solutions to reduce our emissions.

~12% **total reduction in GHG emissions**[1]

SUSTAINABLE SHIFT TO RECYCLED PALLETS

1. Estimated contribution to the total reduction needed to hit the Near Term SBTi target.

Key dependencies

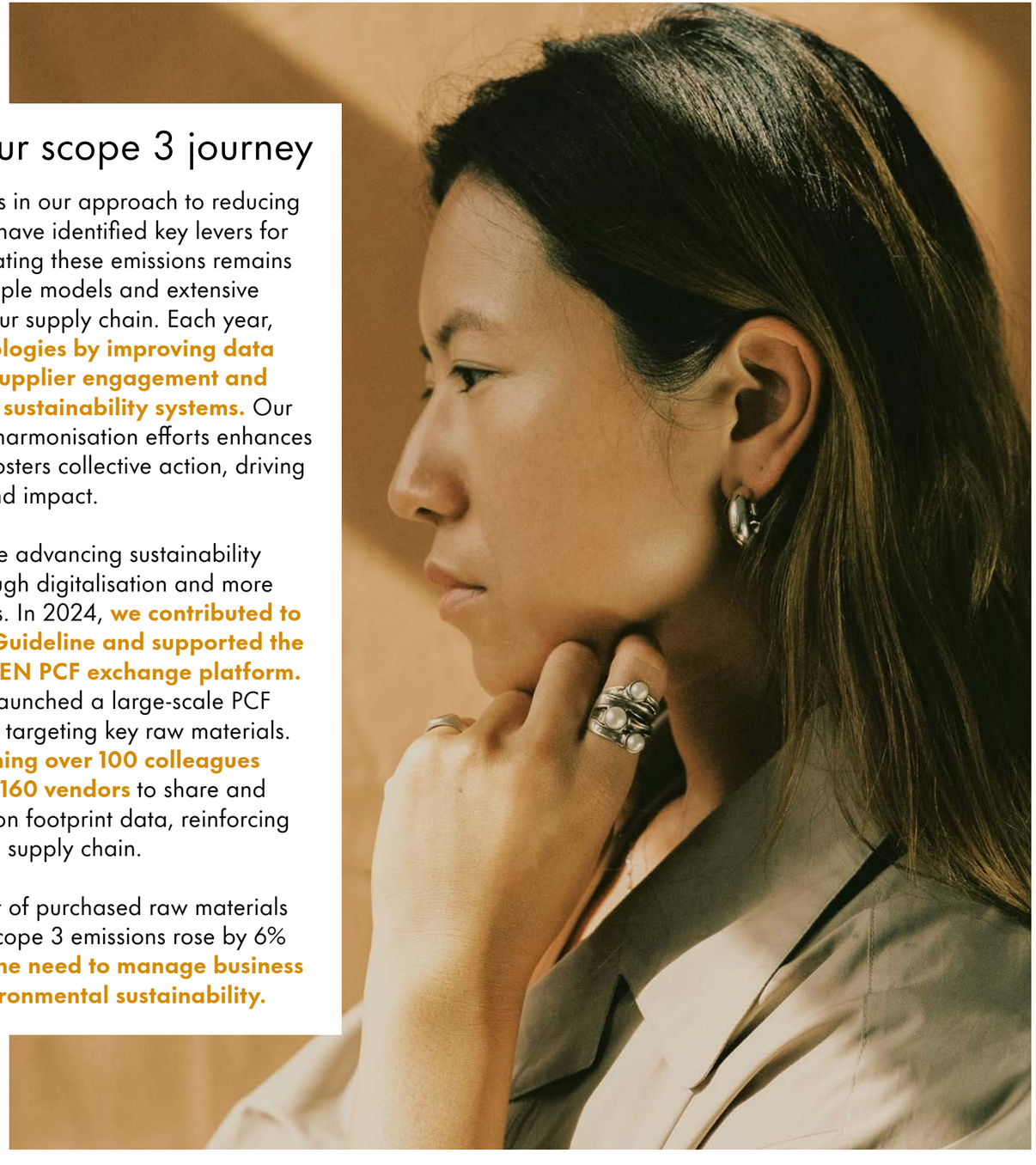
- **Supplier willingness and capability:** Success depends on supplier commitment to emissions reductions, sustainable sourcing and data transparency.
- **Customer acceptance of value proposition:** The transition relies on market readiness to adopt more efficient, and potentially costlier, sustainable products. Without sufficient demand or willingness to pay, the shift to low-emission solutions may stall.
- **Access to accurate supplier data:** Ensuring consistent and reliable emissions reporting from suppliers is crucial for measuring progress.
- **Industry harmonisation efforts:** Alignment with sector-wide sustainability initiatives helps standardise scope 3 reporting and methodologies.
- **Raw material availability and advancing innovation:** Increasing access to/development of low-carbon alternatives and technological advancements in expanding by-product utilisation and waste reduction solutions.
- **Supply chain resilience:** Climate change, geopolitical risks and economic fluctuations could disrupt access to sustainable ingredients.
- **Investment in sustainable agriculture:** The transition to low-impact farming and responsible land use requires industry and government support, i.e. implementing regenerative agricultural practices.
- **Optimisation of distribution networks:** Efficient logistics planning is key to minimising transport-related emissions.
- **Financial investment:** Adequate funding is necessary to support the implementation.
- **Evolving regulations and market influences:** Adapting to climate regulations and market shifts is crucial for staying compliant and competitive.

Snapshot of our scope 3 journey

We have made progress in our approach to reducing Scope 3 emissions and have identified key levers for action. However, calculating these emissions remains complex, requiring multiple models and extensive data collection across our supply chain. Each year, **we refine our methodologies by improving data accuracy, deepening supplier engagement and strengthening internal sustainability systems.** Our involvement in industry harmonisation efforts enhances data accessibility and fosters collective action, driving greater transparency and impact.

At the same time, we are advancing sustainability data management through digitalisation and more precise PCF assessments. In 2024, **we contributed to updating the TfS PCF Guideline and supported the adoption of the SiGREEN PCF exchange platform.** Through SiGREEN, we launched a large-scale PCF data collection initiative targeting key raw materials. This effort involved **training over 100 colleagues and engaging around 160 vendors** to share and exchange product carbon footprint data, reinforcing collaboration across the supply chain.

While emissions per unit of purchased raw materials have decreased, total scope 3 emissions rose by 6% in 2024, underscoring **the need to manage business growth alongside environmental sustainability.**



Long-term solutions: net zero and beyond

At Givaudan, our climate strategy is guided by the principle of reduce first, neutralise and compensate only what remains.

We prioritise absolute emissions reductions across our operations and value chain, backed by science-based targets, and we will only neutralise and compensate for residual emissions that cannot be eliminated.

As part of our journey to reach net-zero, we are investing in high-quality, permanent carbon removal solutions that deliver robust, verifiable, and lasting climate benefits. This includes insetting within our value chain and carefully selected beyond-value-chain mitigation as complementary measures. Our approach ensures every intervention supports resilience, biodiversity, and the communities linked to our supply chains.

1 Neutralisation: natural climate solutions and carbon capture, storage and removal (CCSR)

Insetting - climate action within our own supply chains - remains our preferred approach to neutralising residual emissions. We focus on nature-based solutions in areas of environmental vulnerability where we have a direct footprint, such as reforestation, firewood plantations for distillation, and sustainable agriculture practices. These deliver carbon removal alongside ecosystem restoration and socio-economic co-benefits for local communities.

We are also assessing CCSR technologies as part of a diversified portfolio, covering both land-based and novel technological solutions. Our participation in the World Business Council for Sustainable Development CCSR working group enables us to evaluate emerging methodologies for credibility, traceability, and permanence.

2 Compensation: beyond value chain mitigation (BVCM)

For residual emissions that cannot be addressed within our value chain, we will consider high-integrity carbon removal credits from reputable projects aligned with the latest science and global best practice. While we have not yet purchased such credits, we plan to explore their role in supporting our net zero ambition, ensuring they are relevant to our value chains.

3 Avoided emissions

In addition to reducing direct emissions, we focus on avoided emissions – reductions that occur outside of our operations but as a result of our products, services and initiatives. Through the development of sustainable ingredients, optimising product formulations and working closely with suppliers and customers, we aim to help reduce emissions across multiple industries. This could involve providing low-carbon alternatives, promoting circular economy principles and supporting regenerative agricultural practices. We also offer access to an entire ecosystem of experts, innovative technologies and an integrated portfolio for the co-creation of plant-based food experiences that allows consumers to reduce the carbon footprint of their diets. As we continue to develop methodologies, we will ensure that the measurement and verification of avoided emissions aligns with global standards.

Enablers of the transition

Our enablers

Supporting our commitment to driving wider change, a set of enablers forms the foundation of our low-carbon transition strategy. These enablers drive our emissions reductions and accelerate the transformation of our value chain.

The enablers outlined below enable Givaudan to achieve significant progress on climate action and foster partnerships that drive innovation, sustainability and industry-wide transformation.

1 Scope 3 model enhancement

We are continuously enhancing our scope 3 model through data-driven engagement and collaboration across the value chain.

2 Engaging suppliers for a low-carbon future

By partnering with suppliers, Givaudan works to improve sustainable practices, reduce carbon emissions and enhance the resilience of supply chains.

3 Budget and financial mechanism

Securing the necessary financial resources to support our sustainability initiatives is key to achieving our low-carbon goals.

Details are available in our 2024 Integrated Report on economic and ESG performance.

4 Collaborating with key partners

Advocacy plays a central role in driving systemic change in the industry and ensuring that climate action remains a top priority for all stakeholders. By collaborating with suppliers, customers, NGOs, trade associations and industry bodies, Givaudan works towards common climate goals that support the transition to a net-zero economy.

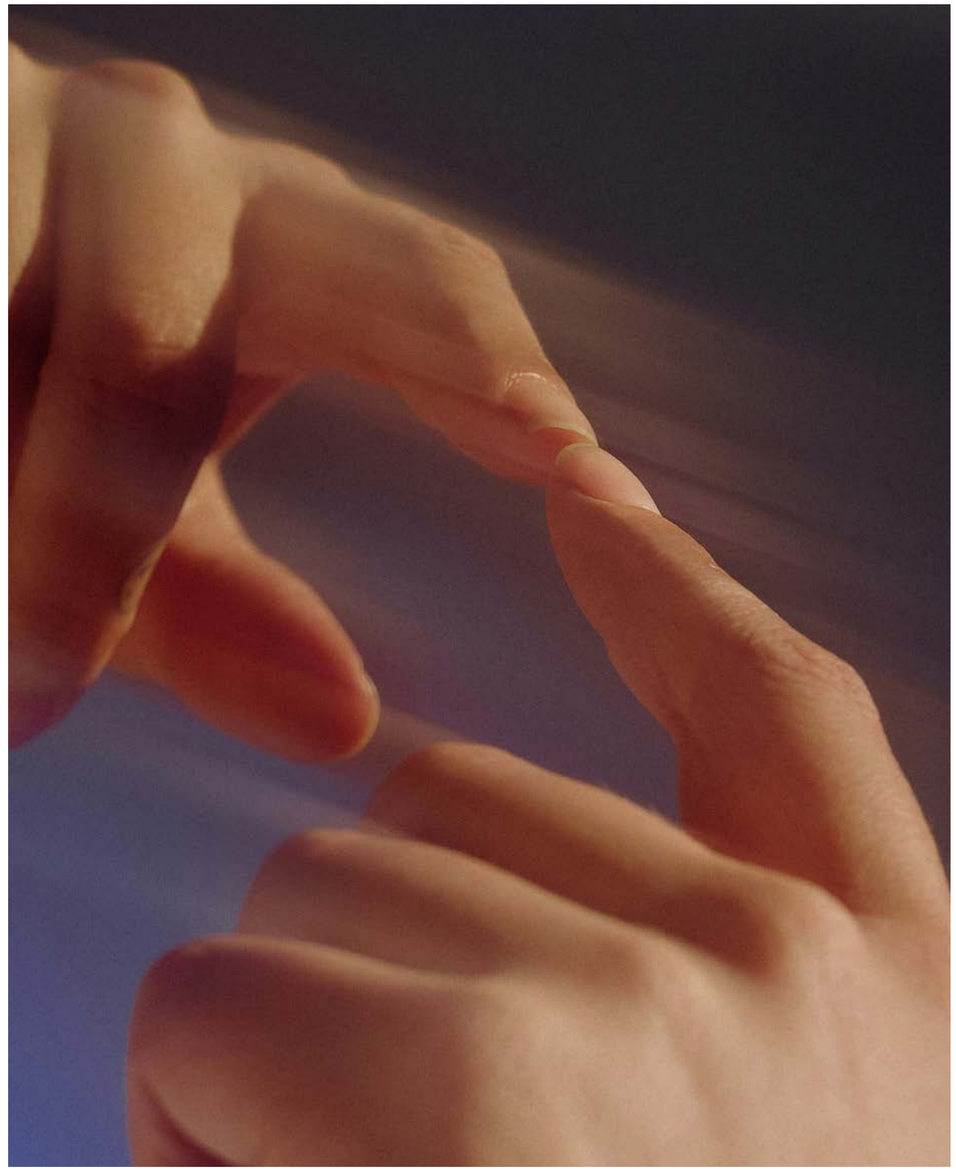
5 Innovation

We leverage innovation to develop new solutions that reduce the environmental impact of our products and processes.

Governance (6)

See chapter 'Governance and delivery'

Through strong governance, we maintain transparency, accountability and continuous improvement in all aspects of our sustainability efforts.

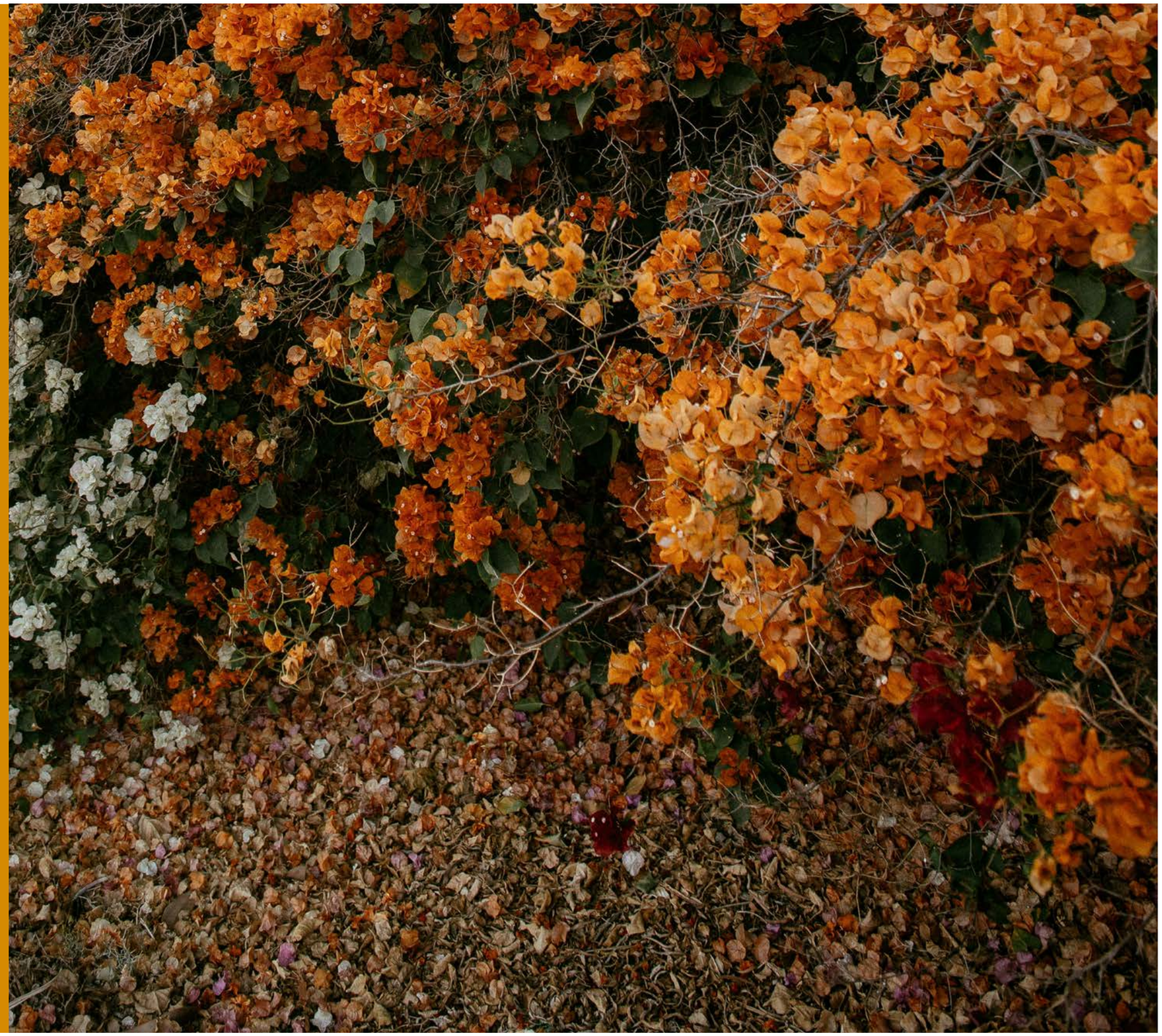


Givaudan's net-zero transition plan

What others say about us…

"As a member of Together for Sustainability (TfS), Givaudan demonstrates a strong commitment to advancing sustainable supply chains, by actively ***contributing to the development and success of the GHG Scope 3 programme of TfS****, which paves the way towards reducing scope 3 emissions and building more resilient supply chains."*

Gabriele Unger, TfS General Manager



Scope 3 model enhancement

1

Enhancing our Scope 3 model enables deeper insight into our footprint and supports more targeted and transparent emissions reductions.

The modelling of scope 3 GHG emissions is an iterative and science-based process. Since our first full inventory in 2017, using financial activity data via the ESHER input/output model, we have continuously evolved our approach. Today, we model raw material emissions using a process-based method, applying the best available proxy data from verified generic databases, built datasets, and, increasingly, primary data from our vendors. We have also reviewed and updated emission factors across several categories, including Indirect Materials and Services (IM&S), capital goods, fuel- and energy-related activities, transportation and distribution (upstream and downstream), and waste from operations.

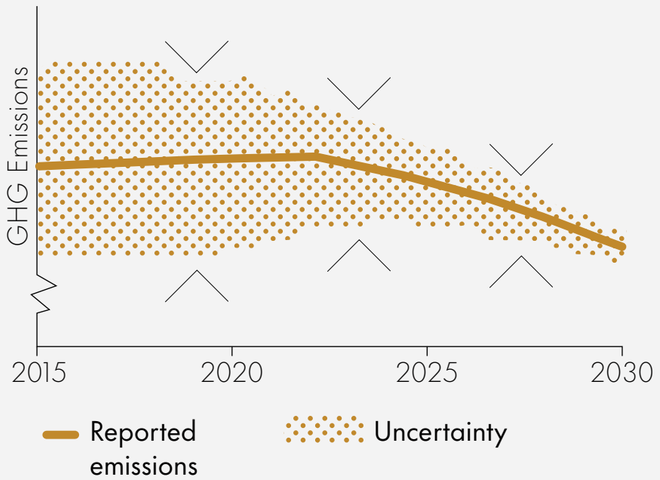
Raw materials remain the centrepiece of our model refinement, given their significant contribution to our overall scope 3 emissions. Our ingredient portfolio is highly diverse, requiring visibility not just into our direct suppliers, but across the upstream value chain. Where supplier-specific data is unavailable, we rely on recognised secondary sources such as EcoInvent and the WFLDB to ensure comprehensive coverage.

We enhanced granularity by developing robust datasets for key raw materials and launched a Product Carbon Footprint data collection campaign with suppliers, leveraging the SiGREEN platform. We also marked our first full split between FLAG and non-FLAG emissions, offering clearer insights into specific GHG drivers and enabling us to better target reduction levers. We continue to advocate for improved transparency and alignment, actively engaging in sector initiatives, including the IOFI Scope 3 project to develop standardised emission factors for core materials specific to our industry.

These enhancements reduce model uncertainty and strengthen data quality. They may lead to adjustments – up or down – in reported scope 3 emissions, but this is a necessary step on our journey. As per the GHG Protocol, we will continue to recalculate our baseline as needed to ensure our progress remains robust, transparent and traceable.

Continuous improvement of scope 3 model

Reducing uncertainty through model enhancements



Engaging suppliers for a low-carbon future

2

Supplier engagement is a critical enabler in achieving Givaudan's sustainability goals.

We work closely with suppliers to build climate resilience and reduce emissions across our value chain through a combination of data, partnerships, support and innovation.

CDP Supply Chain programme

One of the primary tools we use to engage with suppliers is the CDP Supply Chain Programme, which allows us to gather vital emissions data and understand the climate performance of our suppliers. This programme helps us assess the maturity of suppliers in managing climate-related issues and facilitates targeted actions to reduce emissions throughout the value chain.

Building partnerships for emission reduction

For suppliers who have a high level of maturity in climate action, we focus on creating collaborative partnerships to implement joint programmes that drive deeper emissions reductions. These partnerships help us reduce our shared carbon footprint and extend climate action further down the supply chain.

Supporting suppliers on their climate journey

For suppliers in the early stages of their climate action efforts, we provide support, guidance, and resources to help them advance their sustainability practices. By shifting behaviors and providing education on best practices, we help our suppliers align with our ambitious climate goals and transition to more sustainable business models.

Sourcing4Good programme

Through our Responsible Sourcing programme, Sourcing4Good, we implement transformative supply chain projects that involve collaboration with suppliers, customers, NGOs, local partners and communities, and focus on areas such as human rights and labour conditions, regenerative agriculture, environmental management and ecosystem restoration. The goal of these initiatives is to foster sustainable practices that benefit both our business and the environment. Our Sourcing4Good programme also allows for knowledge-sharing, experience and expert input from suppliers, customers and partners. It is based on industry criteria ranging from environmental and social benchmarks, improved supply chain security, greater transparency and more relevant supply chain information.

Budget and financial mechanisms

3

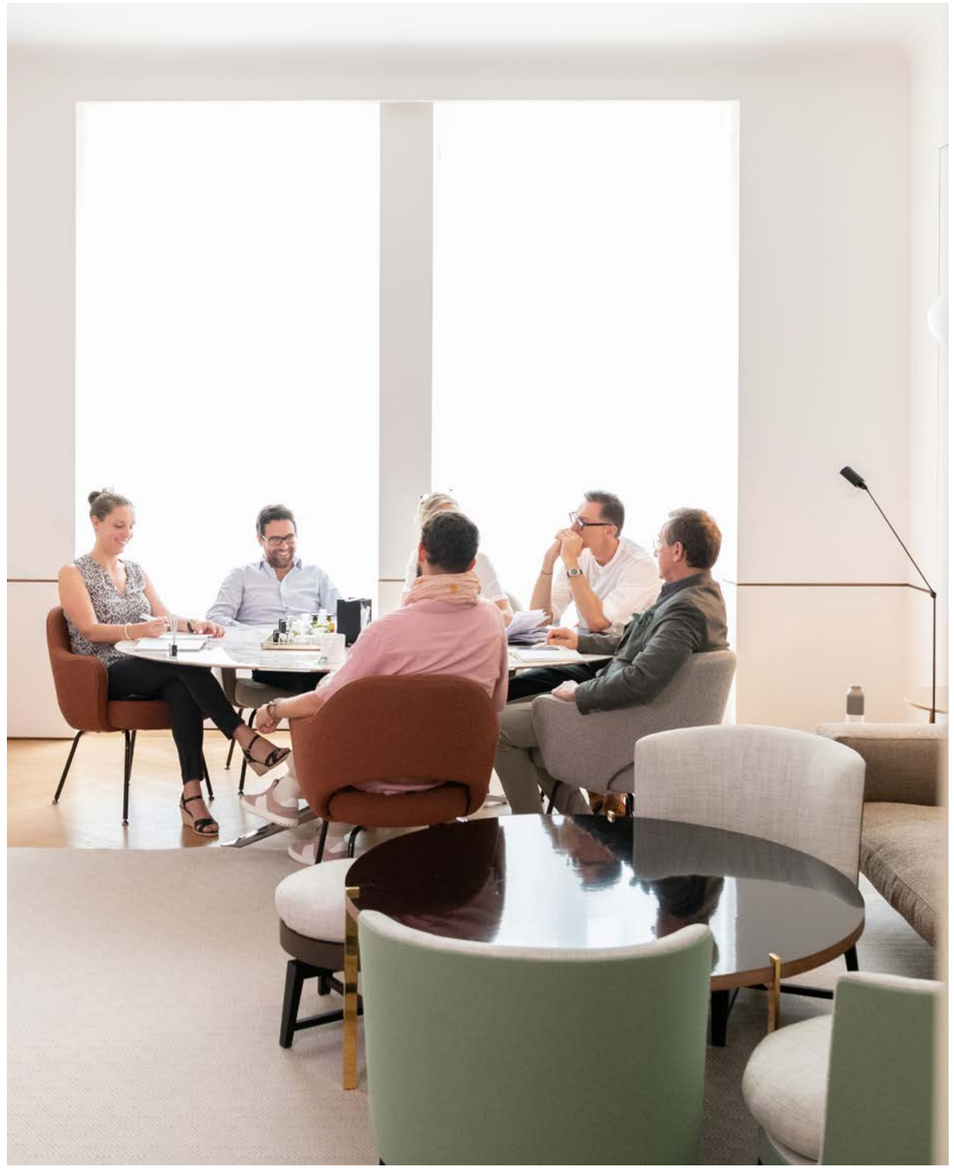
As we transition to a low-carbon future, managing the financial impacts of climate-related costs is crucial for ensuring long-term resilience and growth.

Budget and financial mechanisms are also important enablers, and we have dedicated yearly investment plans for energy efficiency and decarbonisation initiatives. Accordingly, extra capital is allocated to the design and construction of new greenfield facilities with higher energy-saving design standards.

We have also identified and agreed on an internal carbon price (ICP) mechanism to employ for our scope 1+2 emissions reduction projects. The ICP is meant to help us navigate GHG regulations, change internal behaviour, drive low-carbon investment, stress test investments and identify and seize low-carbon opportunities, helping us to prioritise our choices.

We have integrated the ICP into the CAPEX and Continuous Improvement approval processes to ensure that we select the most efficient financial and decarbonising scope 1+2 projects for implementation. We now calculate paybacks with and without ICP to stress the importance of anticipating and reducing GHG emissions for scopes 1+2 upfront. We have chosen the ambitious threshold of 90 CHF/metric tonne, based on the recommendation of the UN Global Compact. Working with this single price will allow us to gain experience with the technique and then decide how to best use the ICP lever, either by adapting the price in time and/or selecting ad hoc prices per geographies. Top management is supportive of this change and is requesting ICP inclusion for all implementation proposals in operation sites worldwide.

Adding an ICP has helped guide our decision-making toward our goal to meet our climate-positive commitment by ensuring that all our investments and operations gradually remove our GHG emissions as these are seen as additional costs. Reducing GHGs and initiating projects that support this are initiatives that provide value for our Company.



Collaborating with key partners

4

Our industry and trade collaborations are vital enablers in accelerating our transition to a low-carbon economy.

Through active participation in industry forums, partnerships and trade associations, we engage in a shared effort to influence industry standards and drive collective action for climate sustainability.

Global industry partnerships

Givaudan collaborates with several key industry bodies, such as the International Fragrance Association (IFRA), the International Organization of the Flavor Industry (IOFI) and the Renewable Carbon Initiative (RCI). These collaborations help us align with global standards and frameworks, ensuring that our sustainability efforts are ambitious, accountable and impactful.

Shaping policy and industry standards

Our participation in trade associations and industry forums enables us to influence policies that foster a more sustainable future. By contributing to the broader industry dialogue on climate action, we advocate for policies that promote sustainability, increase transparency and encourage collective action across the sector.

Knowledge-sharing and best practices

These industry collaborations provide a platform for sharing knowledge, tools and best practices. We leverage collective expertise to accelerate innovation and adopt new solutions that support a sustainable transition. This knowledge exchange helps us and our partners stay ahead of climate risks and capitalise on emerging opportunities.

Trade partnerships

Through our memberships and industry forums, we align with global standards and frameworks that guide our sustainability efforts, ensuring that our actions are both ambitious and accountable.

This collaborative approach enables us to influence industry norms, engage with stakeholders and contribute to the broader dialogue on climate action.

On the right is a summary of some of our key external partnerships.

Givaudan key partners

Reporting and transparency

GRI · UN Global Compact · IFRS®

Advancing our climate action

Business Ambition for 1.5°C · UN Global Compact CEO Water Mandate · Renewable Thermal Collaborative · RE100 · Renewable Carbon Initiative · Science Based Targets (Driving Ambitious Corporate Climate Action)

Industry collaboration

ifra (International Fragrance Association) · IOFI · wbcsd · Together for Sustainability

Agriculture, biodiversity and sustainable sourcing

Business for Nature · Certified Sustainable Palm Oil RSPO · SAI Platform · UEBT Sourcing with Respect

Innovation

5

Ambitious GHG emissions reduction is not possible without innovation and an evolution of our technologies. We seek opportunities to improve our environmental performance and to invest substantially in R&D.

The goal is to develop technologies that can efficiently and reliably respond to variable needs across a range of processes and sites.

As an example, scientific studies have shown that a shift to more plant-based diets can relieve pressure on natural ecosystems, reverse biodiversity loss and reduce greenhouse gas emissions related to food.

Indeed, the FAO estimates in their Sustainable Healthy Diets Guiding Principles that global adoption of a 'low-meat diet' can reduce diet-related GHGs by nearly 50%. Consumers are increasingly aware of such ethical and environmental aspects of their food choices and are starting to move to a 'flexitarian' diet, shifting some of their consumption and creating heightened demand for plant-based meat and fish analogues. Our food industry customers are innovating to bring great tasting plant-based foods to the market, and we aim to be their co-creation partner of choice.

Through our Plant Attitude platform, we offer access to an entire ecosystem of experts, innovative technologies and an integrated portfolio for the co-creation of plant-based food experiences. From fundamental scientific understanding to holistic product design, we deliver customised solutions to develop delightful plant-based recipes.

One example is PrimeLock+™, a natural, vegan-friendly solution that mimics animal fat cells by encapsulating, protecting and locking in both flavour and fat in plant-based meat substitutes. With essential innovations like PrimeLock+™, we enable the shift to more sustainable diets, following consumers to reduce the carbon footprint of their diets.

Biotechnology also holds potential for carving out a more sustainable future for perfumery and for our planet. We are pioneering the use of biotechnologies through our dedicated Biotechnology Centres of Expertise, where skilled researchers develop sustainable olfactive innovations that bring value to our customers and their consumers.

For instance, PrimalHyal™ 50 Life, our low-molecular-weight hyaluronic acid, meets the increasing demand for ecofriendly cosmetic ingredients by achieving a 91% reduction in environmental impact through our revolutionary production method.

Biotechnology allows us to maximise ingredient performance while minimising environmental impact, by using less land, energy and water during the production process. Biotechnology has already led to some extraordinary innovations at Givaudan. As an another, Akigalawood®, a novel material that has a profile like that of patchouli, is a raw material now produced through biotechnology and a groundbreaking, environmentally friendly process.

Governance and delivery

Effective governance

Our net-zero transition plan is fully integrated into our broader climate governance framework, ensuring it is embedded within our overall strategy and daily operations rather than operating as a separate initiative.

By embedding climate-related priorities into our corporate governance, we ensure that accountability and oversight extend across all levels of the organisation.

Our governance structure establishes clear roles and responsibilities across the Board of Directors, Executive Committee and Sustainability Leadership Team, ensuring effective leadership and execution of climate initiatives.

The Board provides strategic direction and oversight, while the Executive Committee implements and monitors climate-related targets. To support informed decision-making, climate-related insights as well as emerging risks and opportunities are regularly communicated to both the Board and Executive Committee, ensuring they have a comprehensive understanding of the broader landscape.

The Sustainability Leadership Team, led by the Global Head of Sustainability, plays a key role in driving climate-specific actions and engaging with stakeholders across the value chain.

Governance on climate-related issues

Reporting

BOARD OF DIRECTORS

Oversees climate-related issues

- Two annual sustainability updates
- An annual ERM report
- Regular updates on impacts on the business
- Updates on major CAPEX investments, acquisitions and divestitures

AUDIT COMMITTEE

Receives additional oversight materials

- Biannual reports on ERM
- Quarterly reports on ethics and compliance

Reporting

MANAGEMENT-LEVEL OVERSIGHT

The Executive Committee implements day-to-day management on climate-related issues

- **Business:** the Presidents of Taste & Wellbeing and Fragrance & Beauty oversee the assessment and management of climate-related issues within their respective business activities.
- **Sustainability Leadership Team:** develops climate-specific actions and programmes, and manages engagement across the value chain on climate-related issues.
- **ERM team:** reviews all risks and opportunities according to their nature, source and potential consequences, including climate-related risks and opportunities.
- **Operations-level teams:** cross-functional teams deliver training on specific climate-related topics.

Integrating net zero into the business

Achieving net-zero emissions is not just a commitment – it is a fundamental part of how we operate and grow sustainably as a business.

By integrating climate action into our core strategy, we enhance our resilience, drive innovation and create long-term value for our stakeholders. Our net-zero transition mitigates risks, strengthens our competitiveness, improves operational efficiency and unlocks opportunities that benefit our customers, employees and communities.

We embed our net-zero targets across our purpose, strategic planning, incentives and enterprise risk management to ensure that sustainability is integrated into decision-making. This holistic approach ensures that climate action is not a separate initiative but a core driver of business success.

Our double materiality assessment

As we continue to integrate climate action across our business, it is essential that we assess not only the environmental impacts of our business but also how sustainability issues affect our financial performance and long-term success. One of the tools supporting this integration is our comprehensive double materiality assessment process.

Double materiality matrix

ENVIRONMENTAL TOPICS

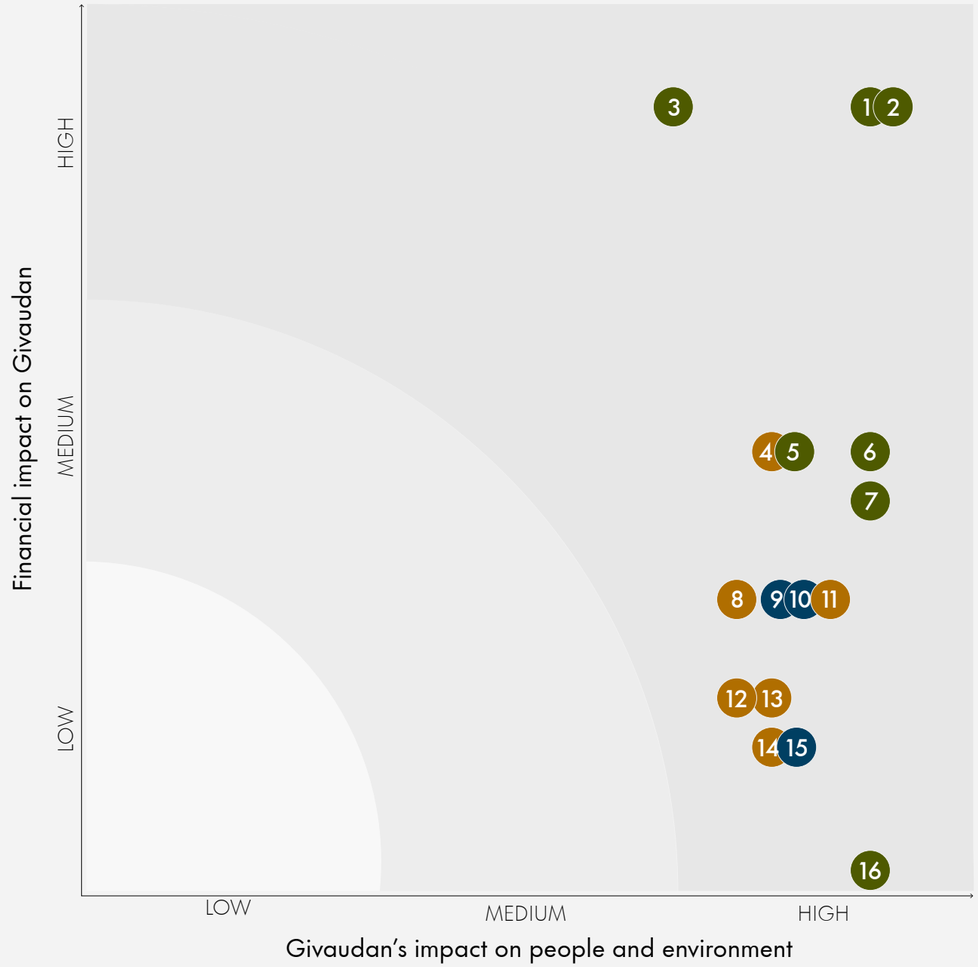
1. Climate Change
2. Biodiversity and ecosystems
3. Water consumption, withdrawals and discharges
5. Resource flows, circular economy
6. Energy
7. Pollution of air, soil and water
16. Waste

SOCIAL TOPICS

4. Secure employment and working time
8. Child labour and forced labour (workers in the value chain)
11. Child labour and forced labour (own workforce)
12. Health and safety (workers in the value chain)
13. Diversity
14. Health and safety (own workforce)

GOVERNANCE TOPICS

9. Protection of whistle blowers
10. Corruption and bribery
15. Corporate Culture



Note: For sake of clarity, dots having the same value are shown overlapping.

By adhering to this process, we have gained a holistic understanding of sustainability risks and opportunities, as well as our impacts on the environment, economy and society. This fosters transparency and accountability, contributing to the creation of long-term value for both the company and society.

MORE DETAILS
On our strategy, incentives, ERM and our double materiality assessment, please refer to our latest Integrated Report on Economic and ESG Performance

Our purpose

Our purpose of 'Creating for happier, healthier lives, with love for nature. Let's imagine together' guides us in delivering sustainable value creation that benefits all. A key aspect of our purpose is our intention to achieve net zero before 2045. Achieving our net-zero goals requires a comprehensive approach, making our net-zero plan essential for fulfilling our nature pillar ambitions and enhancing overall sustainability.

Our strategy

Givaudan's strategic planning emphasises sustainable growth. By integrating ESG factors and conducting double-materiality assessments, we address climate-related risks and opportunities, enhancing our resilience and reputation among sustainability-focused stakeholders.

Compensation and incentives

We link executive compensation to climate action through our Performance Share Plan (PSP). This plan incorporates traditional financial metrics alongside non-financial criteria related to diversity and climate, which includes the calculation of net GHG emissions reduction across scope 1+2+3. This plan rewards executives and key talents who are essential in driving our climate action ambitions and ensuring the long-term success of our business.

Enterprise risk management (ERM)

Our ERM framework is designed to consider various risks, including those related to climate change and sustainability. It thus ensures that net-zero objectives are integrated into our business strategy.

The strategic risk assessment is conducted by the Head of ERM with senior executives from both business activities as well as all central functions. Designated Executive Committee members oversee top risks, embedding risk analyses into decision-making processes to drive our climate action initiatives and support long-term business success.

Givaudan's net-zero transition plan

Assessing risks and opportunities

We are committed to integrating climate-related risks and opportunities into our broader risk-management framework to ensure informed decision-making across the organisation.

Addressing climate-related risks and opportunities is essential for sustaining business resilience, supporting long-term growth and achieving our net-zero strategy.

Climate-related risks and opportunities are wide-ranging, spanning both physical and transition-related impacts. These include extreme weather events, resource scarcity, regulatory changes, market shifts and reputational pressures. Understanding the full spectrum of these risks is critical to developing resilient strategies and aligning with our long-term climate commitments.

FULL DETAILS ON RISKS

Please refer to our latest Integrated Report on Economic and ESG Performance

Risks

To manage these risks effectively, we embed climate considerations within our Enterprise Risk Management (ERM) framework. This provides a structured and consistent approach to identifying, assessing and mitigating risks across the business. In addition, we conduct focused climate risk assessments as part of the climate-related financial disclosure framework, which specifically evaluates risks at our production sites.

ERM approach

ERM is our overarching risk management framework, ensuring a systematic evaluation of risks, including climate change. Sustainability-related risks, including climate risks, are reviewed within this framework. ERM applies across the business, reviewing different types of risks in terms of their nature, their root causes/drivers and their consequences. As part of this process, ERM reviews climate change and other sustainability-related risks and opportunities.

Risks are categorised based on impact and likelihood, distinguishing between top risks and other risks. Each top risk is assigned to a member of the Executive Committee, who is responsible for implementing mitigation strategies. Risks are assessed over short-term (0–5 years), medium-term (5–10 years) and long-term (10+ years) horizons, ensuring that climate-related considerations are embedded into strategic monitoring, financial planning and investment decisions.

Climate risk in our ERM approach

UNDERSTANDING THE RISK

Givaudan recognises the risks associated with climate change, particularly due to our reliance on various input materials that are vulnerable to its impacts. Our operations are located in regions that are likely to be severely affected by climate-related events, including natural disasters such as flooding, snowstorms, tornadoes, hurricanes and droughts. These events could lead to safety incidents, damage to production facilities, or disrupt our ability to deliver to our valued customers.

Time frame: Short-term **Criticality: + +**

IMPACT ON VALUE CREATION

Inability to effectively manage climate risks could disrupt our operations and supply chain, leading to increased costs and reduced efficiency. This disruption may hinder our ability to meet customer demands and fulfil commitments, resulting in lost business opportunities and damage to our reputation. Consequently, these factors could impact profitability and customer loyalty.

PREVENTION AND MITIGATION MEASURES

We set climate targets validated by SBTi and develop a clear climate roadmap, aligning our efforts with long-term sustainability and energy efficiency.

We reduce our water consumption and manage effluent discharge through water efficiency projects.

We have a business continuity plan for sourcing.

Climate-related financial disclosure

By conducting a climate risk assessment in accordance with TCFD requirements, we are able to identify vulnerable areas, evaluate potential impacts and develop targeted strategies for mitigation and adaptation. This assessment enables informed decision-making within Givaudan's business units and divisions, allowing for the implementation of appropriate risk responses and capitalisation of opportunities arising from climate change. Our assessment evaluates risks affecting production sites across all continents and business units, and is categorised into physical risks and transition risks:

Physical risks

Physical climate risks impact our assets, operations and supply chain. These include:

- **Chronic risks:** Rising global temperatures, changing precipitation patterns and sea-level rise, which may lead to increased operational costs and infrastructure adaptation needs.
- **Acute risks:** Extreme weather events such as hurricanes, floods, wildfires and heatwaves, which could disrupt operations, pose safety risks and result in financial losses from damages, downtime and higher insurance costs.

To assess these risks, we utilise advanced geospatial risk analysis tools such as Munich Re's Location Risk Intelligence and integrate data on asset values, geolocations and revenues. Climate scenarios from the IPCC's Shared Socioeconomic Pathways (SSPs) guide our projections for near-term (1–3 years), medium-term (2030) and long-term (2050) impacts.

Transition risks

Transition risks arise from the global shift toward a low-carbon economy, influenced by regulatory changes, market shifts, technological advancements and reputational factors. Specific risks include:

- **Regulatory risks:** Emerging carbon-pricing mechanisms and emissions regulations.
- **Market shifts:** Changing consumer demand and supply chain adaptations.
- **Technological advancements:** Innovations that may render existing processes obsolete.
- **Reputation risks:** Expectations from investors, customers and stakeholders regarding sustainability commitments.

Currently, our TCFD assessment primarily focuses on production sites. While supply chain risks were not included in this version due to complexity, we are working to incorporate them into future assessments.

FOR COMPREHENSIVE INSIGHTS AND FINDINGS
Please refer to our latest 2024 Integrated Report on Economic and ESG Performance

Opportunities

Our journey to net zero is not only about managing risks – it also unlocks a broad range of opportunities to strengthen our business and accelerate positive impact.

The following opportunities are key enablers in achieving our climate ambitions while delivering value to our stakeholders and the communities where we operate:

- **Operational efficiency:** making improvements via energy reduction and renewable-sourcing initiatives.
- **Manufacturing sites of the future:** developing net-zero manufacturing facilities, incorporating smart energy management systems, closed-loop processes and waste-heat recovery technologies.
- **Supplier engagement and collaboration:** partnering with suppliers to reduce emissions, improve data transparency and encourage sustainable practices.
- **Digitalisation and industry harmonisation:** enhancing sustainability data management systems and aligning with industry standards for better data accuracy.
- **Sustainable products:** shifting towards lower-emission feedstocks, deforestation-free materials and regenerative agricultural practices to drive the portfolio of the future.
- **Innovation in sustainable products:** expanding a portfolio offering low-carbon alternatives and sustainable ingredients.
- **Building collaborative networks:** enhancing knowledge-sharing and collective impact on emissions reduction.
- **Investing** in initiatives that strengthen local community resilience.
- **Advancing** carbon capture and carbon-utilisation technologies.

Reporting and transparency

Our Integrated Report details our progress toward climate goals and commitments, following the GRI standard and externally audited for limited assurance. We also disclose annually through the CDP climate questionnaire, continuously improving our climate risk assessments. Please refer to the appendix for further information.

FIND THE FULL SUITE
On www.givaudan.com › Investors › Investor publications › Digital Integrated Report › Download centre

2024 Integrated Report on economic and ESG performance
PDF and print available in English

- GRI Content Index
- SASB Standards
- Climate-related recommendations (TCFD)
- Double Materiality Assessment

2024 Governance, Compensation and Financial Report
PDF available in English

2024 Givaudan and ESG
PDF available in English

2025 Reporting Suite

For updated figures you can find the Reporting Suite for 2025 on the Download centre of the 2025 Integrated Report on economic and ESG performance. This will be available on **29 January 2026.**

2024 Digital Integrated Report
CDP questionnaire on

- Climate change
- Water security
- Forests

The current year CDP questionnaires can be found on www.givaudan.com › Sustainablity › Sustainable business › Position statements, policies, rules reports › Our reports

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