

2022

# Givaudan and ESG

## *Purpose and performance*

Givaudan  
Human by nature



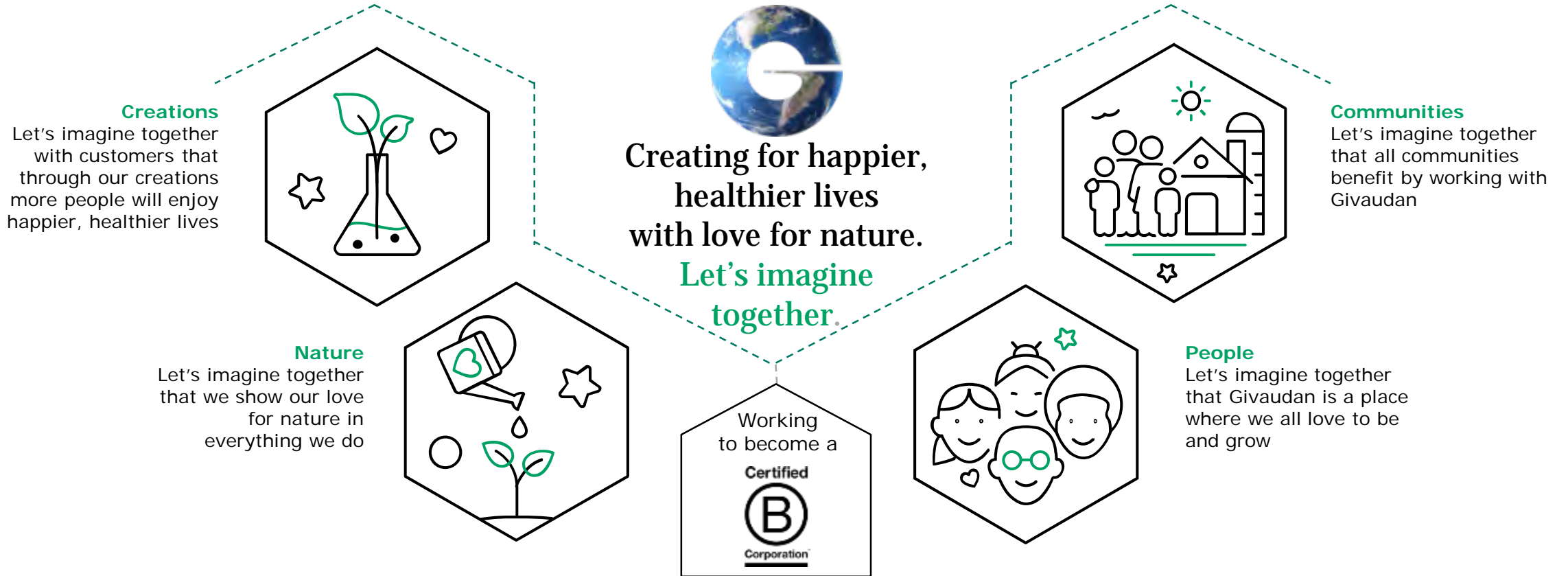
A close-up photograph of a person's eye, looking slightly to the right. The eye is light-colored with long, dark eyelashes. The skin is fair and has some natural texture. The background is blurred, showing a blue and white pattern, possibly a piece of fabric or a wall. Overlaid on the image is white text in a serif font, centered horizontally and slightly below the vertical center. The text reads: "Purpose and 2025 strategy for a high-performing business and acting as a force for good".

Purpose and 2025 strategy  
*for a high-performing business and  
acting as a force for good*



# Givaudan's purpose

## Driving sustainable performance, and acting as a force for good



# Strategy 2025

## Performance commitments

### Sales growth

**4.0 – 5.0%**

2021 – 2025  
Average like-for-like<sup>1</sup> sales growth

### Free cash flow

**>12% of Sales**

2021 – 2025  
Average FCF<sup>2</sup> as % of sales

### Purpose commitments

**Purpose  
linked targets**

2021 – 2025  
Progress towards all published  
purpose targets

1. Like-for-like (LFL) is defined as: (a) sales calculated using the invoicing exchange rates of the prior year, (b) excluding sales of businesses acquired from the acquisition date until the period end date, up to 12 months from the acquisition date, and (c) excluding sales of the businesses disposed of from the disposal date until the period end date of the comparable prior period
2. Free Cash Flow (FCF) refers to operating cash flow after net investments, interest paid, lease payments and purchase and sale of own equity instruments

# Purpose-linked targets

## Encapsulate our approach to ESG

### Creations

**E S G**



#### By 2030

- We will double our business through creations that contribute to happier, healthier lives.

### Nature

**E G**



#### Before 2030

- Our operations' carbon emissions will be cut by 70% and our supply chain emissions by 20%
- We will replace single-use plastics with eco-friendly alternatives across our sites and operations

#### Before 2040

- Our operations' will be climate positive and our supply chain emissions will be cut by 50%

#### Before 2050

- Our supply chain will be climate positive

### People

**S G**



#### Before 2025

- Everyone on our sites will have access to mental and physical health initiatives, tools and training
- We will reduce our total recordable injury rate by 50%
- We will be rated among the leading employers for inclusion globally

#### Before 2030

- 50% of our senior leaders will be from high growth markets
- 50% of our senior leadership will be women

### Communities

**E S G**



#### By 2030

- We will source all materials and services in a way that protects people and the environment
- We will improve the lives of millions of people in communities where we source and operate

**E** Environment   **S** Social   **G** Governance





# Creations for happier, healthier lives of millions of people

## Doubling our business by 2030

We will impact millions of lives by working with our customers to develop creations for happier, healthier lives

### By 2030

> We will double our business through creations that contribute to happier, healthier lives



### Taste & Wellbeing

Going beyond great taste to create food experiences that do good and feel good, for body, mind and planet

- **Flavour and taste solutions:** authentic flavours, kitchen ingredients, taste-enhancing technologies
- **Natural functional ingredients:** colours, preservatives, texturants
- **Natural nutritional ingredients:** microbiome, botanicals
- **Plant-based food:** non-animal protein alternatives
- **Solutions to reduce undesirable ingredients** (sugar, salt, fat) and add health-supporting nutrients (vitamins, minerals fibres)



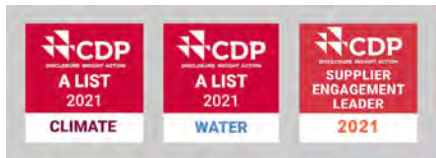
### Fragrance & Beauty

Craftsmanship, creativity, and passion for happier, healthier lives through fragrances for every moment

- **Consumer products** for personal, home, fabric and oral care
- **Fragrances and beauty products** that spark happiness and delight
- **Fragrances to improve emotional wellbeing:** leveraging neuro-sciences to enhance sleep, emotional benefits and wellbeing

# History of acting sustainably

## A solid track record of ESG ratings



**Double 'A rating'** for climate and water for three consecutive years

**CDP Leaderboard** recognition for supplier engagement<sup>1</sup>



Awarded the **EcoVadis Gold** medal, ranking us in the top 5% of more than 75,000 businesses



Rated as 'low-risk' in 2021 with a score of 19.1 and a chemicals industry **ranking 13 out of 480**



Included in **SXI Swiss Sustainability 25 Index**

**FTSE4Good Index Series**

Ranked in the top 2% in the **FTSE4Good Index Series**, among our peers



**MSCI ESG AAA Rating** since 2017

Transparent disclosure of comprehensive, audited ESG data based on reporting standards



Givaudan has applied the **GRI frameworks** since 2010



Givaudan has adopted **Integrated reporting** since 2016

1. 2021 score published end of Feb. 2022

# Our sustainability journey

## 2010

Support for **UN Global Compact** pronounced



## 2015

Givaudan commits to **RE100** and to set a Science Based Target



## 2017

New approach to sustainability "**A Sense of Tomorrow**" introduced

Commitment to GHG emissions target in line with **Science Based Targets Initiative**

Givaudan commits to contribute to the **UN's Sustainable Development Goals**



## 2019

New approach to shaping a sustainable future through the newly defined purpose "**Creating for happier, healthier lives with love for nature**"

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



## 2020

Givaudan announces its 2025 strategy "**Committed to Growth, with Purpose**"

Givaudan sets the ambition to become **B Corp**, the gold standard for good business



## 2021

Givaudan introduces the new **Sourcing4Good** programme

Givaudan publishes its **Human Rights Policy**

Givaudan joins **Together for Sustainability (TfS)**

Givaudan engaged as advisory board members in the **Renewable Carbon Initiative**

Givaudan includes **TCFD** recommendations

Givaudan includes **SASB** standards mapping







Creating a positive impact on the  
environment  
*by showing our love for nature*



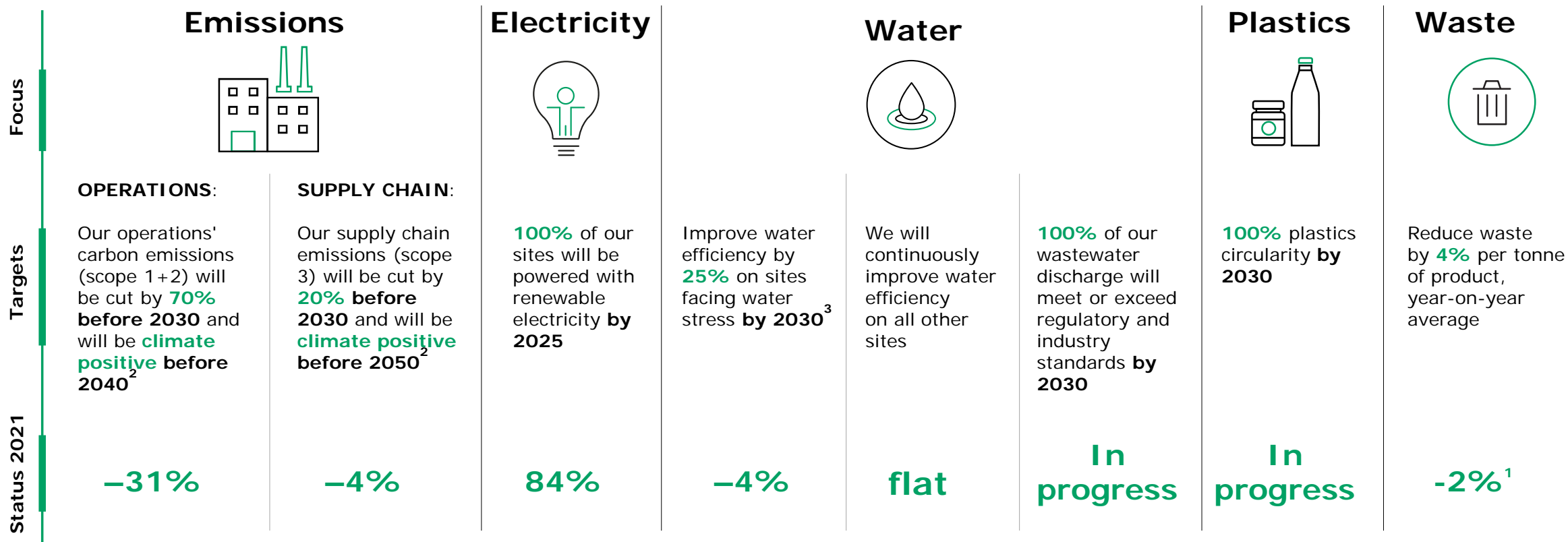


A bold ambition and clear roadmap.  
Before 2050, we will become a  
climate positive business  
(scopes 1, 2 & 3)”



# Ambitious targets

## For environmental leadership



1. Absolute reduction since 2015 – without acquisitions  
 2. Baseline 2015  
 3. Baseline 2020





Reducing environmental footprint  
*Becoming a climate positive business*

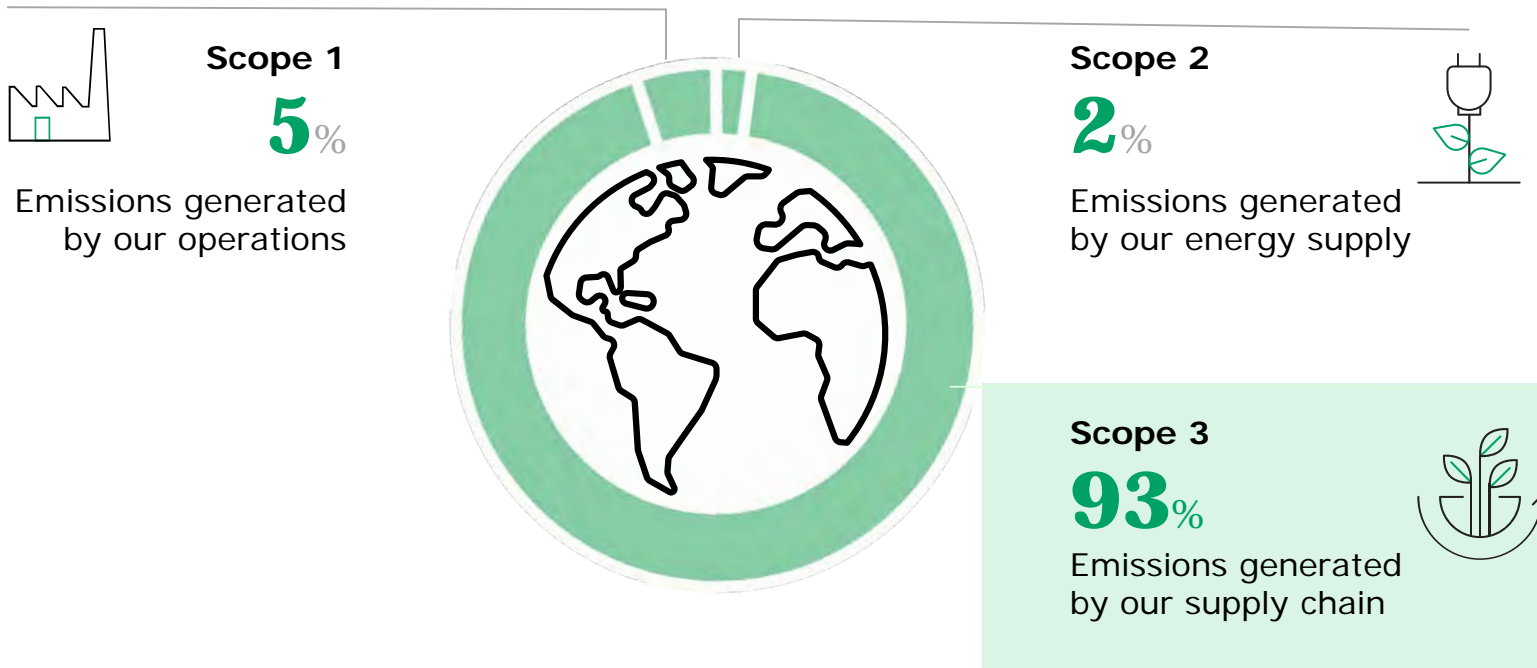
Reducing scope 1,2 & 3 emissions





# Givaudan's carbon footprint

## Our value chain emissions



### TARGETS – Scope 3

- Before **2050**, Our supply chain will be **climate positive**

### Actions driving our Roadmap:

Engage suppliers in the net-zero journey

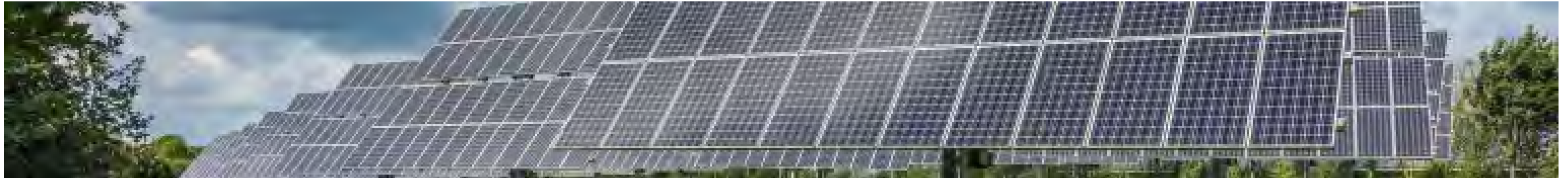
Refine understanding of our ingredients footprint and **drive ingredient innovation**

Reduce **other emissions** linked to our value chain

**About 2,300,000 tonnes GHG emissions per year**

# Reducing scope 1 & 2

## Actions driving our roadmap and key enablers



### TARGETS

#### Before 2040

- Our operations' will be climate positive (scope 1)

#### By 2025

- We will power 100% of our operations' sites with renewable electricity (scope 2)

### ACTIONS DRIVING OUR ROADMAP

Drive continuous improvement to **reduce the energy consumption** of our sites

Power our sites with **renewable electricity**

### KEY ENABLERS

- Site environmental targets
- Site assessments
- Internal carbon price
- Awareness



# Reducing scope 3

## Actions driving our roadmap and key enablers



### TARGETS

#### Before 2050

- Our supply chain will be climate positive (scope 3)

### ACTIONS DRIVING OUR ROADMAP

Engage suppliers in the net-zero journey

Refine understanding of our ingredients footprint and drive ingredient innovation

Reduce other emissions linked to our value chain

### KEY ENABLERS

- Formulation, innovation
- Supplier engagement
- Ingredient portfolio
- Transportation, less air travel
- Packaging

# Using biotechnology and innovation

## To reduce scope 3 emissions



### BisaboLife™

- **The first biotech bisabolol**
- Creating a new biosourced and natural bisabolol without cutting rainforest in the Amazon.

---

#### Positive environmental impacts

- 100% natural & 100% renewable carbon
- Readily biodegradable
- Uses 220 times less land to produce 1 kg versus the traditional method



### Ambrofix®

- **A sustainable, biodegradable ingredient**
- A biodegradable ingredient produced from sustainably sourced sugar.

---

#### Positive environmental impacts

- 100% naturally derived & 100% renewable carbon
- Readily biodegradable
- Uses 100 times less land to produce 1 kg versus the traditional method



### Nootkatone

- **A sustainable ingredient**
- Novel fermentation process, producing Nootkatone without depending on the fruit.

---

#### Positive environmental impacts

- Lower impact on farmland
- Stable supply chain
- Natural flavouring substance

# PlanetCaps

## First-to-market biodegradable fragrance capsules



The **unique** PlanetCaps™ technology will enable Givaudan to collaborate with customers in rolling out bespoke **biodegradable fragrance systems**.

A combination of high **biodegradability** and **renewable** carbon source material, delivering long-lasting fragrance experience.



# We have set a bold climate ambition

## Clear agenda to reduce scope 1, 2 & 3 emissions

### OUR ACTIONS TO REACH OUR AMBITIONS

#### Scope 3

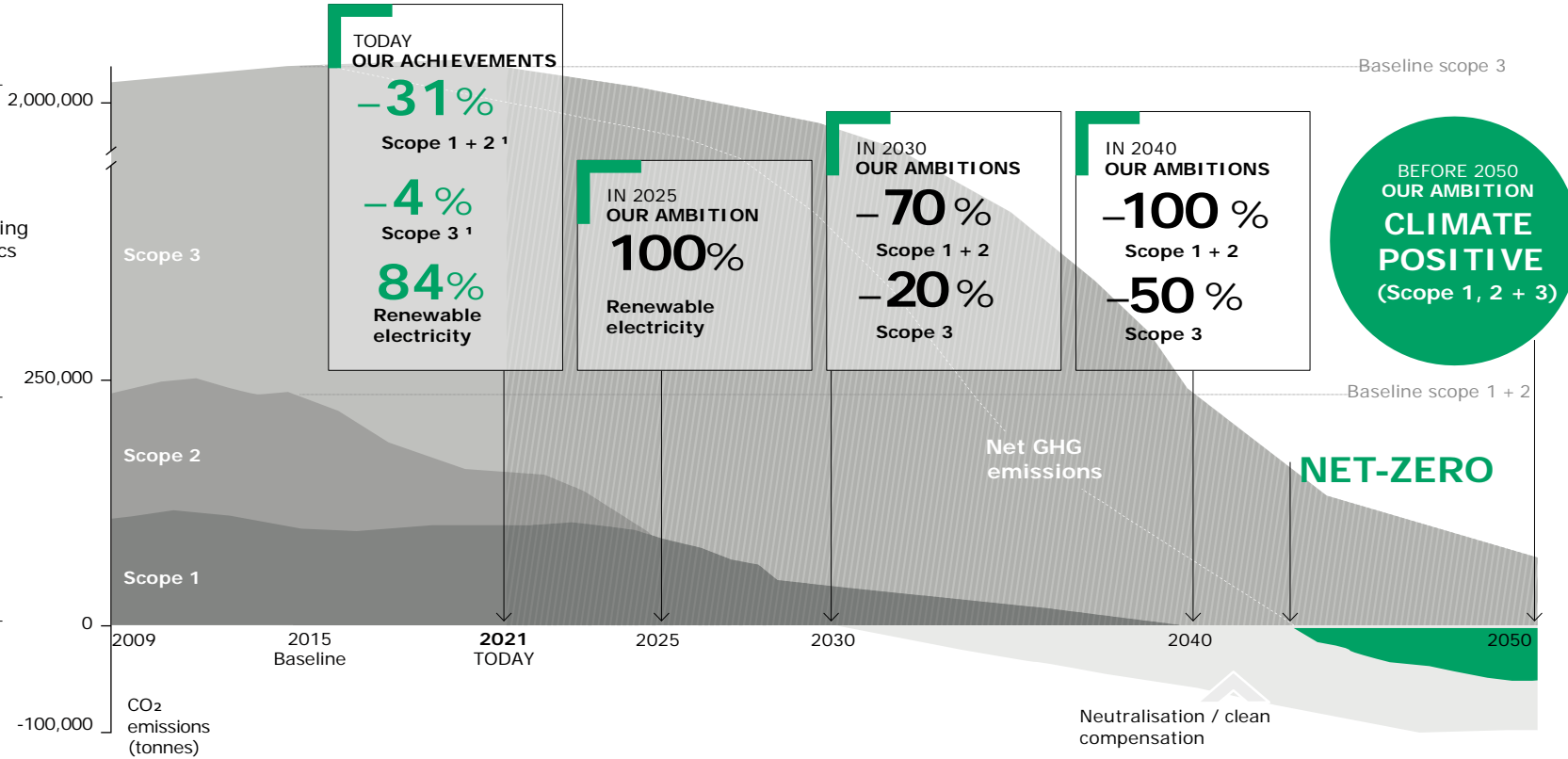
- Sustainable procurement of ingredients
- Low-carbon creations
- Driving circularity and upcycling
- Optimising packaging, logistics and transport of goods
- Optimising business travel and employee commuting

#### Our operation (scope 1 + 2)

- Renewable energy sources
- Energy efficiency

#### Neutralisation / compensation

- Carbon capture technology
- Natural climate solutions



**Enablers to reach our ambitions**

- Supplier engagement
- Budget and financial mechanisms
- Advocacy and promotion
- Partnership and governance

1. Compared to baseline year 2015.





Protecting ecosystems  
*Sourcing responsibly and promoting  
biodiversity*





# Our purpose commitment to responsible sourcing

## Sustainable value creation

CHF 2.7 bn

Raw material / consumable spend per year

>225

People in global procurement worldwide

>11,000

Number of different raw materials sourced

57%

Renewable raw materials

43%

Non-renewable raw materials

## Sourcing4Good is a step change in our responsible sourcing journey



Ensures **trust and compliance** across our entire supply chain



It allows us to embark on **collaborative transformational projects** in selected supply chains



Brings **end-to-end** raw material traceability in key supply chains

Builds on our heritage of action in sourcing responsibly.

This flagship programme is closely tied to our goal to source all materials and services in a way that protects **people** and the **environment** before 2030.





# Fully traceable supply chain

## Enhancing agricultural practices

### Contributing to Positive environmental impacts

- Soil health preservation
- Biodiversity conservation
- Increased carbon sequestration in the soil

**Full traceability** of Guarana seeds from the field to the final extract

**Improved incomes** for farmers

More **market visibility** for farmers

### Supported by Sustainable agricultural practices

- Better fertilisation methods
- Improved pruning practices to increase fruit yields
- Investigating plant material improvement



#### Example: Guarana (Brazil)

An iconic botanical which seeds help fight tiredness and boost physical and mental performance. Used mostly in energy drinks and food supplements.

# Protecting the environment

## Preserving the biodiversity



### Supporting the conservation of diversity of species

- Collaborating with the **University of California, Riverside (UCR) on Citrus Variety Collection**
- Supporting the **care and preservation** of the most **extensive, unique and diverse citrus collection** against threat of greening disease
- The collection includes 1,000 varieties of citrus fruits from around the globe



### Sustainable use of natural resources through best practices

- **Devil's Claw sustainable** wild collect programme in Namibia
- **Securing the long term supply** of this major medicinal plant
- **Organising wild collect** of roots and **train locals** to responsible practices



### Commitment to forest conservation

- Received the **Conservation International's Hero award** for the Tonka Bean programme in Venezuela
- **Preserving the forests, the flora and fauna** through the Conservation Stewards Program
- **Empowering local communities** to conserve 150,000 hectares of forests in the Caura Basin

# Driving sustainable solutions together





A close-up photograph of a person's eye, looking slightly to the right. The eye is light-colored with long, dark eyelashes. The skin is fair and shows some freckles. The background is a blurred blue and green pattern.

Focus on social  
*Caring for people and communities*



# Ambitious targets

## To be a safe, healthy and inclusive environment where everyone loves to be and grow





A woman wearing a blue and gold sari is walking from left to right in front of a white wall. She is holding a blue and white patterned umbrella. The background is filled with lush green trees and foliage. The text is overlaid on the image in a white serif font.

A place where people love to be & grow  
*Becoming a leading employer for  
diversity and inclusion*





# Ambitions

## Diversity and inclusion

A diverse, inclusive organisation to best meet our business goals.

**Before 2030, we will be an even more balanced and inclusive company**

### Before 2025

- > We will be rated amongst the leading employers for inclusion globally

### Before 2030

- > 50% of our senior leaders will be from high growth markets  
2021: 26%

### Before 2030

- > 50% of our senior leaders will be women  
2021: 26%



## Driving progress

# Building more inclusive hiring practices

**Our goal is to attract and find more diverse candidates**

- Inclusive job ads
- Balanced slates for hiring and promotion
- Hiring manager Training

### Success story

> Working with a Talent Acquisition innovation tool to create inclusive job ads:

- Introduced an 'Inclusion Meter' to gauge how inclusive our job ads are written
- Edited 8000 job ads



**By using the TA innovation tool:**

- **63%** of job ads being rated **more inclusive**
- Increase of **percentage of female candidates** applying to jobs moved from **38% to 52%**



# Driving progress

## Fostering inclusive leadership development

Our goal is to develop leaders, today and in the future

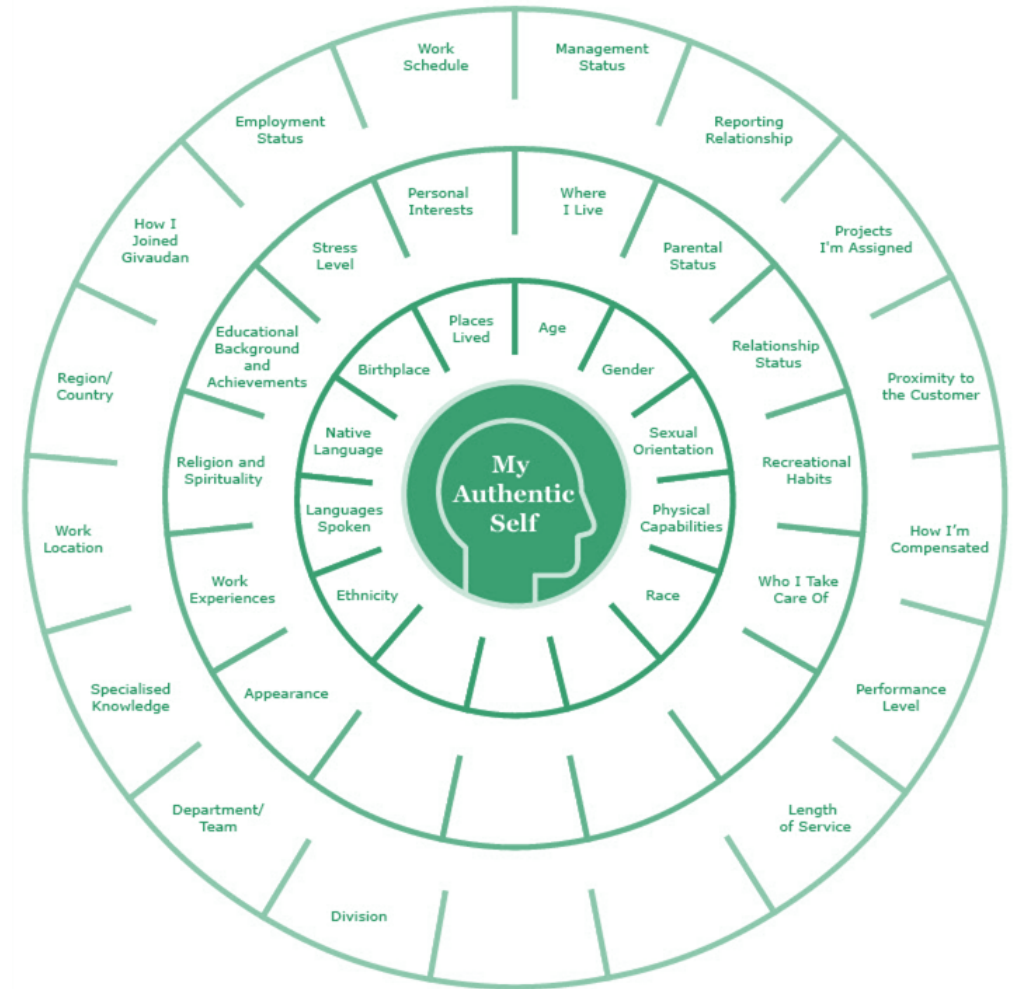
- Evolving our Leadership Development programmes
- Better Balance approach
- Managing unconscious bias at work

### Success story

> The Better Balance dialogues provide an opportunity for senior leaders to connect with colleagues and enhance their understanding about our Better Balance approach.

We focus on:

- Use of language
- Understanding the diversity wheel



### Better Balance Dialogue sessions

- **26% of senior leaders** took part in a Better Balance dialogue to date (325 out of 1,260 senior leaders).
- Insights gathered are feeding into our **inclusive leadership capabilities**.



A woman wearing a blue and white sari is walking from left to right across a garden. She is holding a large, colorful umbrella with a floral pattern. The background is filled with various green plants, including palm trees and flowering shrubs. A white wall is visible in the mid-ground. The overall scene is bright and natural.

A place where people love to be & grow  
*Caring for employee's safety, physical  
health and mental wellbeing*





# Ambitions

## Caring for employees

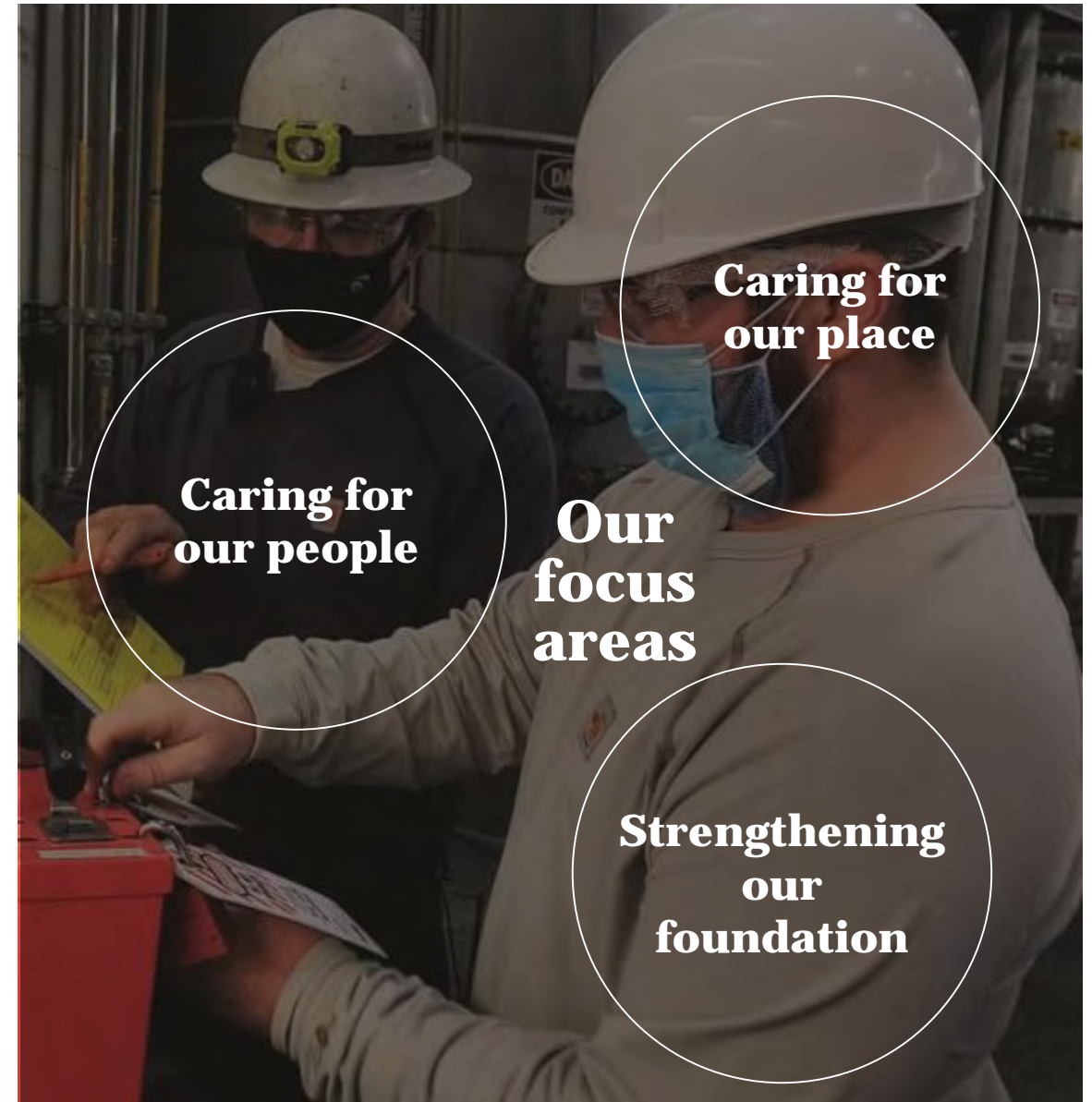
Caring for employee's safety, health and mental wellbeing

### Before 2025

- > We will reduce our total recordable injury rate by 50%  
2021: -22%

### Before 2025

- > Everyone on our sites will have access to mental and physical health initiatives, tools and training



# Driving progress

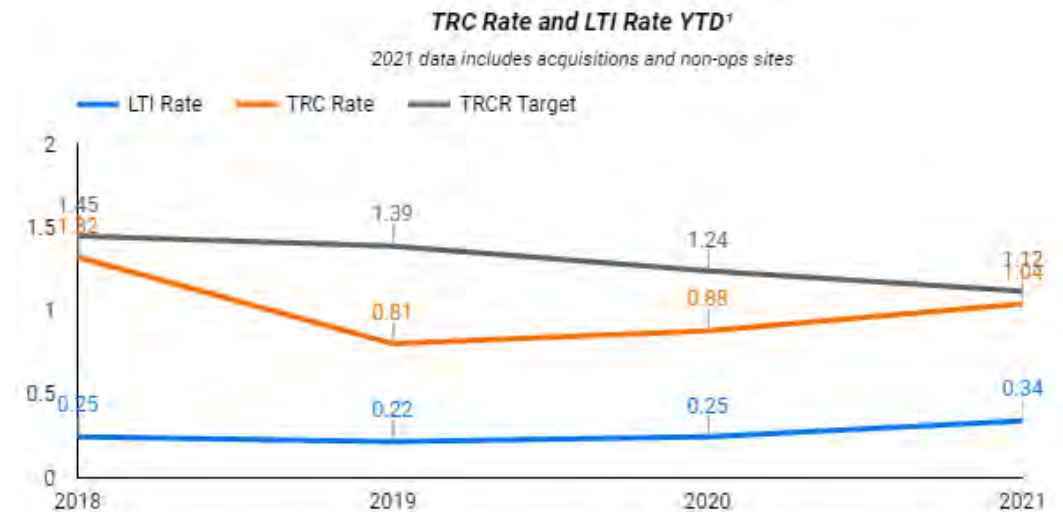
## Caring for employees' safety

Proud of our continuous safety performance progress

### 2021 safety performance progress

- **22% reduction** in our **total recordable injury rate** since 2018.
- The reduction in our recordable injury rate points to our success in embedding a positive and long-term culture of health and safety.

Total recordable case rate – our 2025 performance ambition



LTIR = lost-time injuries per 200'000 hours worked (~100 employees' annual hours)

TRCR = total recordable cases (total of lost time injuries, restricted work cases, medical treatment cases) per 200'000 hours worked (~100 employees' annual hours)



## Driving progress

# Increasing the safety at our workplaces

To reduced total recordable injuries at all sites

### EHS by design

- Investing in our plant and technical equipment
- Further developing our Responsible Care Management System
- Conducting periodic assessment of risk and control on-site

### Expanding our Behavioural Safety Programme

- Advanced safety leadership training
- Comprehensive worker trainings on health and safety

### Success story

- > Impressive safety records have been set at two of our production sites in India, with no recordable case injuries at Jigani for more than nine years and none at Daman for over twelve years.



Engagement of leaders and team-focused efforts addressing people, training and processes.

# Driving progress

## Mental and physical health

### Providing access to mental and physical health initiatives, tools and training for all employees

By taking care of our people through all aspects of their lives, we are helping them to have the physical energy, mental focus and emotional drive necessary to power our business as well as to take the same energy to their activities outside of work.

### Happier, Healthier Lives initiatives

- Health, home working
- EAP – Employee Assistance Programme
- Health and wellbeing community of practice

### Success story

- > People at the heart of our progress:
  - LifeWorks
  - Health & Wellbeing Communities of Practice



### LifeWorks

#### Employee Assistance Programme

Offering support on a variety of topics such as personal well-being, mental health, relationships, family matters and workplace challenges.

### Health & Wellbeing Communities of Practice

A forum for sharing common interest and best practice in health and wellbeing initiatives. Involved employees from North America, Latin America, the UK and Dubai, and topics included strategies for better sleep, the benefits of family activities, and a variety of local initiatives focusing on physical and mental health and wellbeing.







Improving people's lives  
*Givaudan Foundation, Green teams  
and employees acting as  
a force for good*





# Ambitions

## Improving people's lives

All communities benefit by working with Givaudan

**By 2030**

- > We will improve the lives of millions of people in communities where we source and operate





# Driving progress

## Givaudan Foundation

Contributing to happier, healthier lives for people in communities

### Givaudan Foundation mission

To make a difference within the communities where Givaudan sources and operates, we focus our **efforts on education, health and environment preservation**. Our actions are nurtured by the know-how and volunteering of Givaudan people.

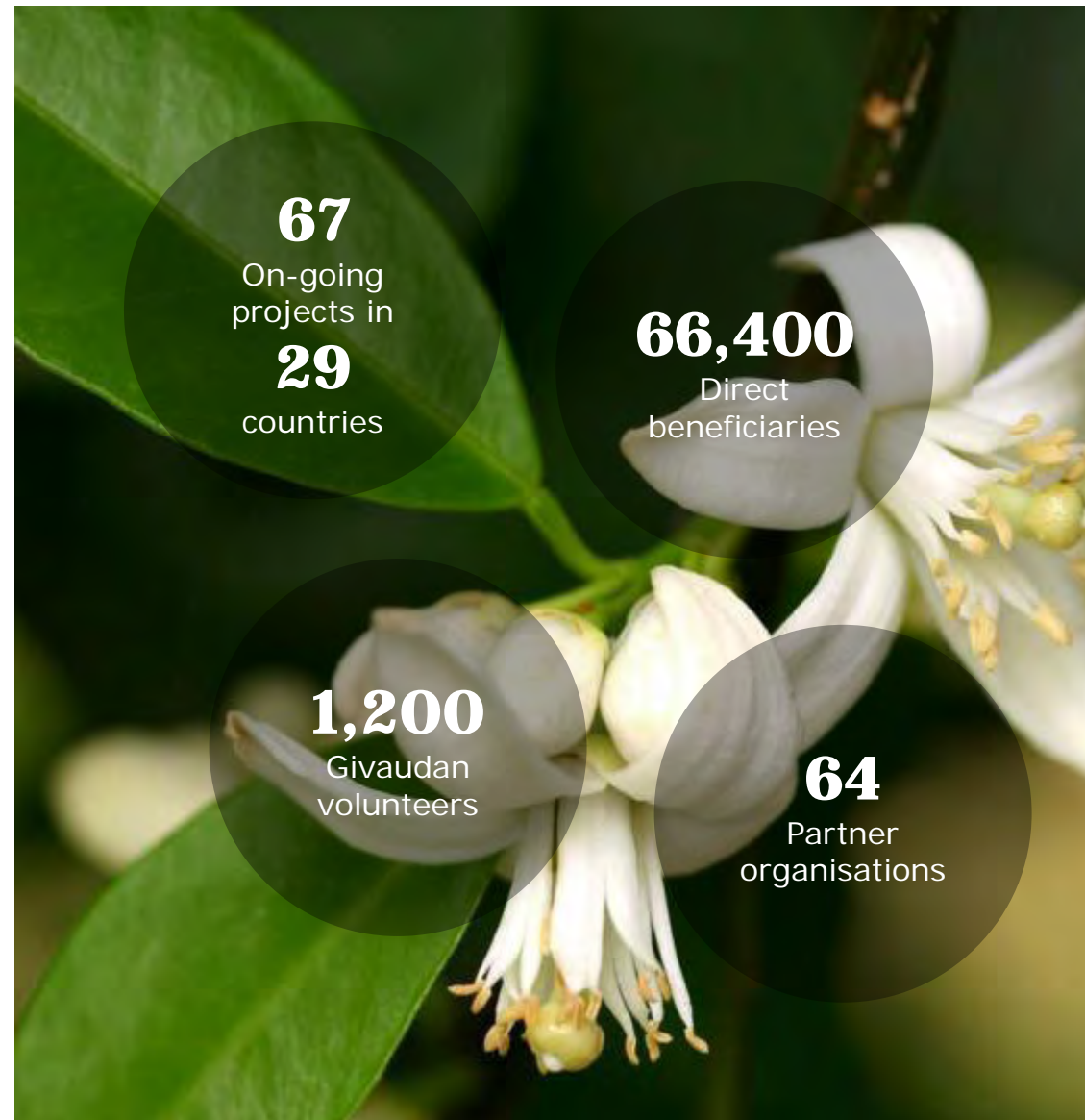
### Two pillars of activities

#### Communities where Givaudan sources natural ingredients

Foundation works to safeguard the future of these communities and their fragile environment.

#### Communities where Givaudan employees work

Enables and supports employee-driven projects that foster education or make a positive impact on health



# How ingredients help us protect the environment and care for communities



**THANKS TO VETIVER**

We build infrastructure and provide **access to water and electricity** in Haiti



**THANKS TO LAVENDER**

We **research preservation and resilience to climate change** in France



**THANKS TO SANDAL-WOOD**


We **help communities preserve the environment** in Australia



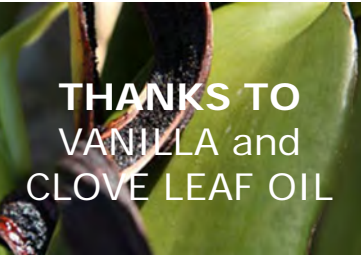
We **preserve 150,000 hectares of Amazonian Rainforest** in Venezuela



**THANKS TO TONKA BEAN**



We **reduce our impact on the environment** and have **planted 700,000 trees** in Madagascar




**THANKS TO VANILLA and CLOVE LEAF OIL**




Distillation units are energy-efficient; **pickers receive education** in Comoros



**THANKS TO YLANG-YLANG**



**THANKS TO BENZOIN**




We **build schools** in Laos




**THANKS TO PATCHOULI**



We **train farmers and help their businesses grow** in Sulawesi



**THANKS TO JASMIN FLOWER**



We are partnering to **implement the SOURCING4GOOD programme** and auditing our floral ingredients supply chain in India



# Driving progress

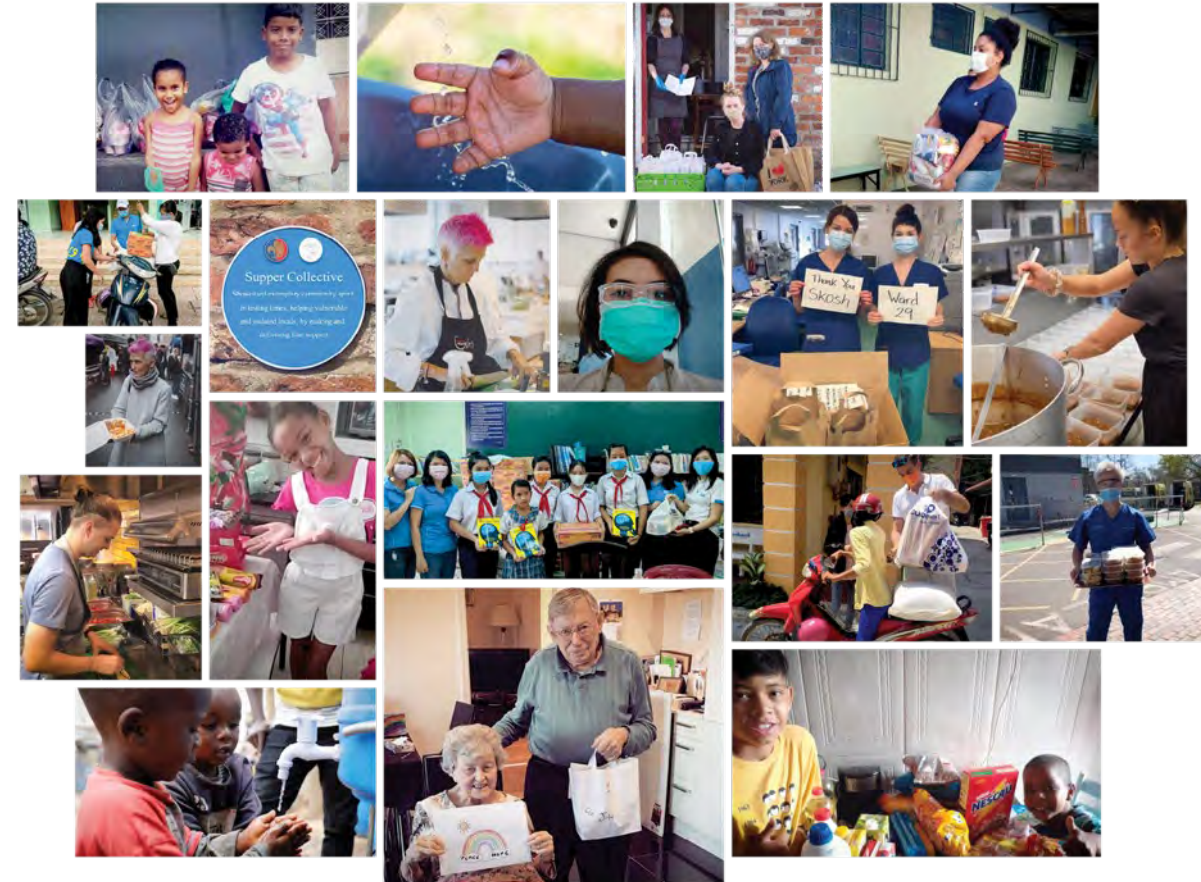
## Stronger communities, sustainable business

Through employee activities and our Green Teams, we organise initiatives that:

- Respond to the needs within communities
- Support activities ranging from health and education to enhancing environmental and agricultural practices

### Employees as a force for good

- Green teams: cross functional groups of employees, supporting local communities and finding ways of improving the social and environmental performance of their local sites.
  - Over 500 Givaudan Green team volunteers
  - initiated 25 projects initiated in 2021.
- COVID-19 communities Fund enable employees to fund projects to help communities severely affected by the pandemic.
  - From 2020 to 2021 we were able to help almost 100,000 people in 137 communities around the world.



### Expanding our reach and focus: creating an impact among the vulnerable

- Focus on increasing our impact on:
  - water, sanitation and hygiene (WASH)
  - nutrition and food security
  - economic resilience in our value chain
  - mental health and wellbeing.





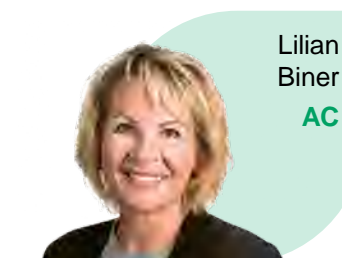
Governance  
*Effective and transparent*





# Board of Directors

- **Separation of roles** in line with SWX Code of Conduct: Chairman of the Board and Chief Executive Officer Board
- **Ultimate strategic supervision** and control of the management of the Company, including Enterprise Risk Management approach
- 8 board members
- Diverse board (nationality and gender)
- Average tenure of 5.6 years
- **100% independent board members**
- All board members re-elected on an annual basis
- **Compensation** of Board of Directors is subject to **annual approval by shareholders**



**NGC**  
Nomination  
& Governance  
Committee

**AC**  
Audit  
Committee

**CC**  
Compensation  
Committee

**IC**  
Innovation  
Committee

# Executive Committee

- Responsible for the **day-to-day management** of the Company
- 7 Executive Committee members
- 6 nationalities
- 4-6 year average tenure
- Average of **20 years experience** in the company
- One of the **longest standing CEO** in the industry
- **Compensation** of the Executive Committee is subject to annual **shareholder approval**

Gilles  
Andrier  
Chief  
Executive  
Officer



Tom Hallam  
Chief  
Financial  
Officer



Louie  
D'Amico  
President  
Taste &  
Wellbeing



Maurizio  
Volpi  
President  
Fragrance &  
Beauty



Simon  
Halle-Smith  
Head of Global  
Human  
Resources and  
EHS



Willem  
Mutsaerts  
Head of Global  
Procurement and  
Sustainability



Anne Tayac  
Head of  
Givaudan  
Business  
Solutions





# Governance

Ethical and fair business practices are englobed in our [Code of Conduct](#) which all employees must sign.

Good shareholder governance:

- **1 share – one vote**
- **1 single class of share**

[Governance of ESG aspects](#) are fully [integrated](#) into our Board and Executive committee management processes and agendas.



# Compensation principles

## Pay for performance and alignment of interests with shareholders

Total compensation is composed of:

- **Base salary** for all employees
- **Benefits** for all employees (retirement, insurance and health care plans, etc.)
- Cash-based **Profit Sharing Plan** for approximately 12,000 non-management employees based on Group Financial objectives
- Cash-based **Annual Incentive Plan** for around 5,000 managers and executives
- Equity-based **Performance Share Plan** for top 500 employees





# Performance Share Plan

## Includes non-financial purpose-related targets

### Continued: Financial targets

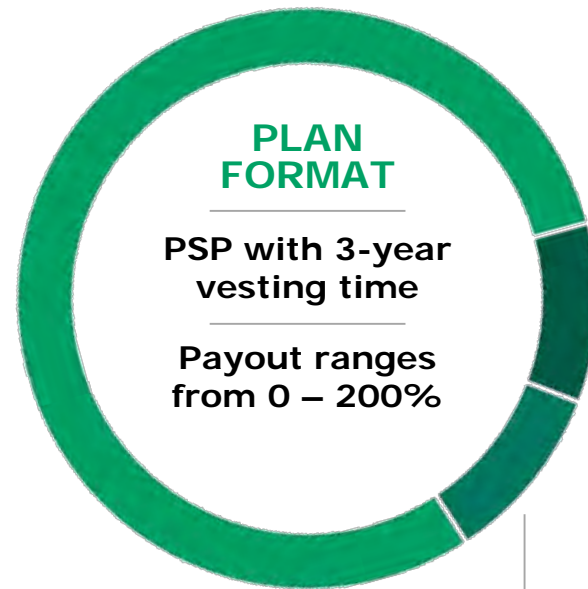


#### Creations **80%**

- 40% Relative sales
- 40% Free Cash Flow

4-year measurement period

Achievement determined via payout matrix



### Newly included: Purpose-related targets

#### People **10%**

- Gender diversity
- Nationality mix
- Employee safety



#### Nature **10%**

- Net GHG emission reductions (Scope 1, 2+3)







Committed to Growth,  
*With Purpose.*





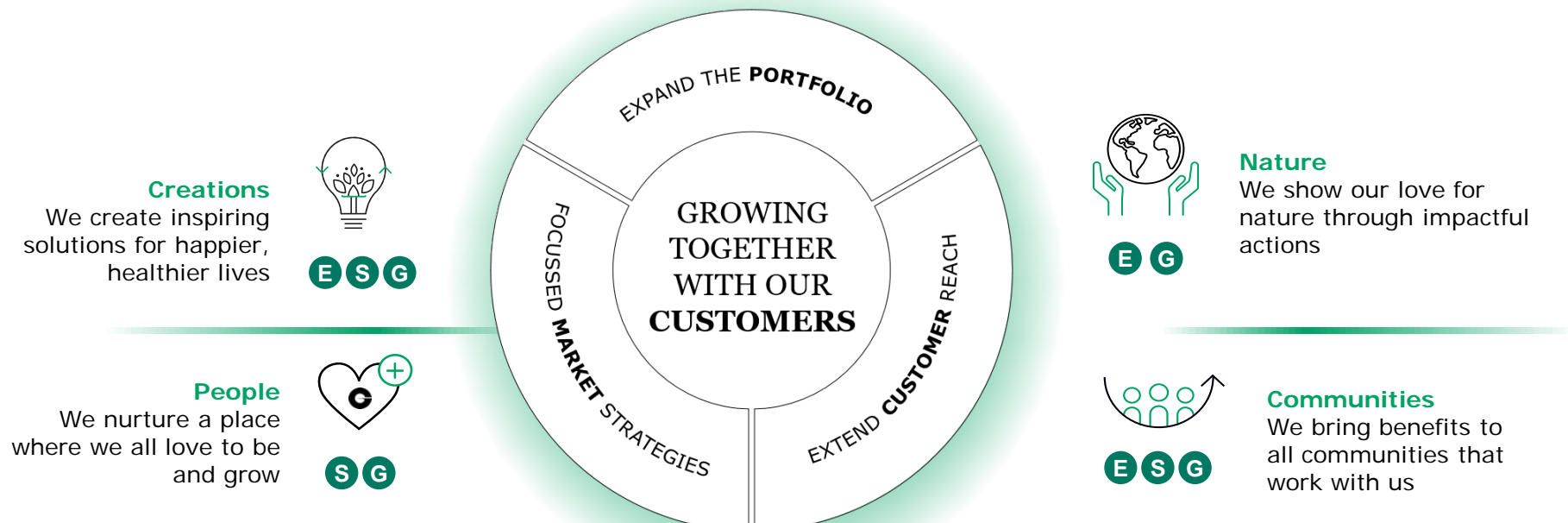
# ESG at the centre of our business

## Committed to Growth, with Purpose.



*"It is through our purpose and strategy that we address Environment, Social and Governance (ESG) issues."*

Gilles Andrier, CEO



**Excellence, Innovation & Simplicity** - in everything we do

4-5% GROWTH      PURPOSE LINKED TARGETS      >12% FCF

**Environment      Social      Governance**

# Reporting suite

## For further information

[givaudan.com/investors](http://givaudan.com/investors)



[givaudan.com/sustainability](http://givaudan.com/sustainability)



## Annual Publications

2021 Integrated Annual Report  
**AVAILABLE IN ENGLISH**



2021 In a Nutshell  
**AVAILABLE IN ENGLISH,  
FRENCH AND GERMAN**



Online version  
**AVAILABLE IN ENGLISH**



2021 Governance, Compensation  
and Financial Report  
**AVAILABLE IN ENGLISH**



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**READ MORE**  
[GRI Content Index](#)  
[SASB Standards](#)  
[TCFD Recommendations](#)

2021 GRI Sustainability  
Report  
**AVAILABLE IN ENGLISH**





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Pierre Bénaich

Head of Investor Relations



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Human by nature