

2023 Double materiality assessment

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Our first materiality assessment, conducted in 2011 in alignment with the GRI Sustainability Reporting Standards, marked our commitment to meaningful dialogue with our stakeholders and served as a foundation for identifying key environmental, social, and governance (ESG) material topics. Over the course of the years, we have continuously updated this assessment through internal reviews and comprehensive revisions in response to evolving regulations.

In 2023, we conducted our first double materiality assessment, a comprehensive framework employed by companies to evaluate and disclose their ESG impacts and risks. This assessment went beyond the traditional approach by considering impacts on the environment, society, and the economy (outward-looking) as well as risks and opportunities for our business related to sustainability (inward-looking).

Conducting a double materiality assessment allowed us to gain deeper insights into the risks and opportunities associated with sustainability, fostering in turn enhanced transparency, accountability, and long-term value creation for both the Company and society. It enabled us to focus on areas that influence our value proposition and demonstrate our commitment to sustainable development. Finally, our activities clearly extend beyond economic outcomes and it is imperative to align our business performance with the expectations of our stakeholders and

society at large. Our double materiality assessment provides a profound understanding of the most relevant ESG material topics for different stakeholder groups, information that is critical to accomplishing this goal.

An outline of our comprehensive process for identifying and prioritising ESG material topics is given below.

Establishing scope and boundaries – identification of relevant topics

The double materiality assessment process started with the essential step of defining its scope. We initiated this phase by describing the boundaries of the assessment, identifying relevant ESG material topics throughout our extensive value chain that are important to our stakeholders. We emphasised the identification of the material topics rather than management approaches to avoid potentially overlapping areas, resulting in some changes to our matrix, which can be found on page 42. The approach allowed us to cover the intricacies of the supply chain, operational aspects, and the wide array of the products and services we offer.

Our approach drew from various sources and incorporated meticulous analysis, including a thorough review of internal and external documentation, industry insights, regional trends, and challenges. We also scrutinised existing commitments and

adherence to industry-leading frameworks such as the GRI Sustainability Reporting Standards, Task Force on Climate-related Financial Disclosures (TCFD), and Corporate Sustainability Reporting Directive (CSRD) to ensure alignment with best practices and industry standards.

The outcome of this analysis, which was supported by external experts, was a long list of potentially material topics that then served as the starting point for subsequent assessment.

The efforts also produced a list of stakeholders relevant to the assessment, a crucial aspect. These elements then underwent rigorous validation with the project team, ensuring alignment with the Company's strategic objectives and sustainability goals.

Impact materiality (inside-out)

The next phase involved conducting an independent, expert-based impact assessment evaluating the scale, irremediability, and likelihood of both positive and negative, actual and potential, intended and unintended impacts throughout our value chain for each longlist topic. This thorough analysis ensured a well-rounded understanding of the impacts associated with each ESG material topic identified.

Our Sustainability Leadership Team validated the impact assessment and prioritisation of ESG material topics, with their expertise and insights further confirming the significance and relevance of the identified impacts.

The results of this assessment are presented below as an overall ranking of the impacts and as an overview of the points along the value chain where we have the biggest positive or negative impacts.

Financial materiality (outside-in) Assessment and methodology

The primary goal of the financial materiality assessment was to identify and validate the most significant sustainability-related risks and opportunities for us.

Our double materiality assessment aimed to identify ESG material topics likely to affect our strategy, operations, and long-term business success. We conducted an in-depth analysis of how external factors influenced us financially, and assessed our capacity to manage risks and capitalise on opportunities.

To ensure a comprehensive and inclusive assessment, we carried out a workshop with senior leaders representing all areas of the business and internal stakeholder groups. Internal experts systematically assessed the severity and likelihood of risks and

Impact along the value chain

	UPSTREAM	G	DOWNSTREAM
Climate change	●●●●	●●●	●●
Biodiversity & ecosystems	●●●●	●●●	●●
Human rights & labour conditions	●●●●	●●	●
Water security	●●●●	●●●	●●
Product quality & safety	●●	●●	●●●●
Waste management & circular principles	●●●	●●●	●●●
Economic performance	●●●	●●●●	●
Workforce health, safety & wellbeing	●●●●	●●●	○
Governance & business conduct	●●●	●●●	●●
Ingredients & products	●●●	●●	●●
Diversity, equity & inclusion	●●	●●●	●●
Consumer health & wellbeing	○	○	●●●●
Data privacy	○	●●	●●

opportunities associated with relevant ESG material topics, subsequently allowing for thorough consideration of the financial implications. The diverse group of participants ensured that we took various internal perspectives into account, reducing the chances of overlooking relevant sustainability-related risks or opportunities.

We then complemented this internal assessment with an external evaluation carried out in collaboration with external experts, ensuring a more comprehensive

perspective on financial materiality. Overall, the process ensured that our assessment was comprehensive, taking into account both internal and external perspectives and involving a wide range of experts within the Company.

Methodology highlights

Risk emphasis

We prioritise risk assessment in sustainability, recognising its vital role in long-term

sustainability. We gave risks more weight than opportunities (2:1).

Inherent risk assessment

We start by assessing inherent risks, providing a baseline understanding of sustainability-related vulnerabilities.

Forward-looking approach

Our methodology looks ahead up to a decade, anticipating trends, disruptions, and stakeholder expectations for proactive risk mitigation and opportunity capture.

Severity and likelihood evaluation

We comprehensively evaluate the impact's severity and likelihood, prioritising severe risks when uncertainties exist.

Integrated risk categories

Risks often span categories like regulations, reputation, and operations. We consider these interconnections and prioritise multi-category risks with a severe impact.

Concrete improvement focus

Opportunities go beyond compliance, focusing on actions that enhance sustainability beyond regulatory requirements, creating value.

By following this methodology, we ensured a robust, forward-looking approach to identifying and evaluating sustainability-related risks and opportunities. This empowered us to make informed decisions, manage risks effectively, and leverage opportunities aligned with our commitment to sustainability and long-term business success.

Integrating stakeholders views

We conducted in-depth, qualitative external stakeholder interviews to validate the outcomes of our impact assessment and to gather valuable insights for the subsequent risk and opportunity assessment.

We selected the interviewees to represent various stakeholder categories along our extensive value chain: customers, suppliers, investors, local communities, innovation partners, and industry experts. Sustainability was highlighted as a central focus in our collaboration with these organisations.

Before the interviews, stakeholders were given the long list of potentially material topics and were prompted to identify our significant impacts, risks, and opportunities. The interviews were each approximately 45 to 60 minutes long and included inquiries regarding stakeholder perspectives on our sustainability priorities and communication strategies.

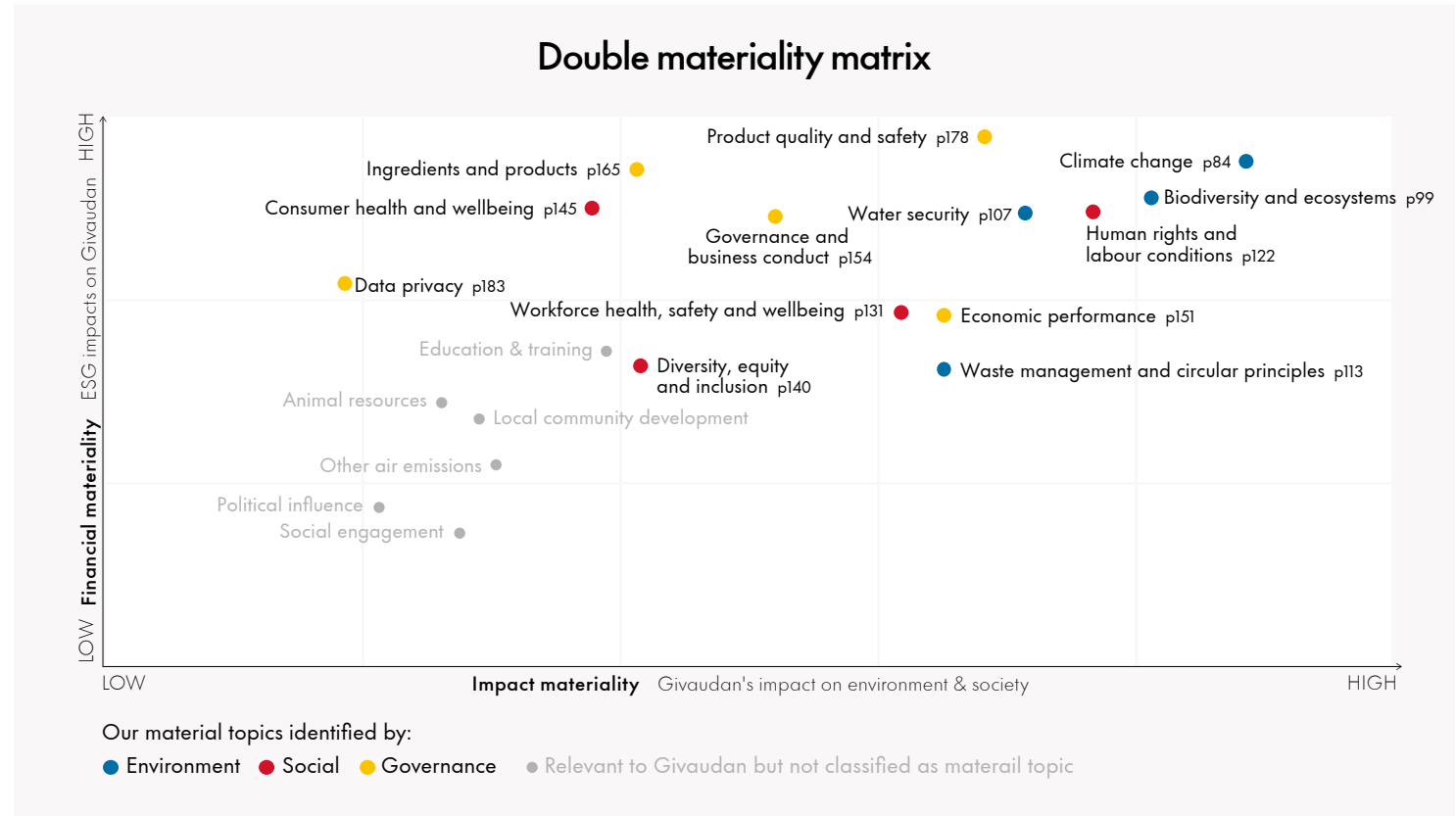
The insights gathered from these interviews align well with the results of the impact assessment, affirming the robustness of our initial findings.

Our double materiality assessment

Results from the external and internal assessments were integrated to create a comprehensive matrix of prioritised ESG material topics. This consolidation ensured alignment with shared concerns among external stakeholders, and internal recognition of both outward impacts on the environment, economy, and society, as well as sustainability-related risks and opportunities for the Company.

By adhering to this comprehensive double materiality assessment process, we have gained a holistic understanding of its sustainability risks and opportunities, as well as its impacts on the environment, economy, and society. This has fostered transparency and accountability, ultimately contributing to the creation of long-term value for both the Company and society.

The Board of Directors has delegated the responsibility for defining our purpose and sustainability ambitions to the Executive Committee (EC), which leads Givaudan’s overall strategic direction. Consequently, the EC mandated a cross-functional team to conduct the double materiality assessment,



and then the EC reviewed and confirmed the impacts and resulting ESG material topics.

With regards to the reporting on non-financial matters according to the Swiss Code of Obligations, the impact on air pollution and human health and safety in relation to the environment are not deemed

to be material and thus not treated as separate topics. Related topics and indicators that are material are water security, consumer health and wellbeing, and workforce health and safety.

We are in the final stages of updating our double materiality assessment, which

was initiated in 2024 and designed to meet the requirements of the CSRD. Completion is anticipated by early 2025, and this will provide a foundation for our next reporting suite, strategic cycle, and other key initiatives.