

Givaudan[®]

ENGAGING
THE
SENSES

Sustainability

TRANSLATING VISION INTO ACTION



Sustainability

TRANSLATING VISION INTO ACTION

Givaudan at a glance

Givaudan is the global leader in the fragrance and flavour industry, offering its business-to-business products to global, regional and local food, beverage, consumer goods and fragrance companies.

We have 82 operations in 45 countries. Case studies from our operations in Spain, the Netherlands, UK, India, Mexico, Thailand, Singapore, US, Brazil, France and Switzerland are included in this Report.

HEADQUARTERS
Vernier, Switzerland

Our products & services

Our Flavour Division has four business units: Beverages, Dairy, Savoury and Sweet Goods. The Fragrance Division has three business units: Fine Fragrances, Consumer Products and Fragrance Ingredients. More information can be found at www.givaudan.com/Flavours/Our+Brands www.givaudan.com/Fragrances/Fragrance+Ingredients



About this publication

This is the second comprehensive Sustainability Report for Givaudan's global operations. Our first Report was published in March 2010.

We have an annual sustainability reporting cycle.

Data in this Report covers the period from 1 January through to 31 December 2010. It provides information on affiliates that were included in the previous Report. Corporate financial information is given in Swiss francs.

The boundary of this Report is the same as that adopted in the 2009 Sustainability Report and covers all manufacturing and commercial locations.

Our environmental and injury data are limited to manufacturing locations only. The social and economic indicators are global. A full list of our locations can be found in our 2010 Annual Report on pages 126-128 or by clicking the locations link on www.givaudan.com

Our Report was prepared using the Global Reporting Initiative (GRI) G3 Reporting Guidelines. GRI has concluded that the Report fulfills the requirements of Application Level C. Adherence to GRI indicators is referenced in a GRI Standard Disclosures index table on page 30.

For further information about GRI, please visit www.globalreporting.org

For further information about Givaudan and our Sustainability Programme, please visit www.givaudan.com or contact:

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GRI is a network-based organisation that pioneered the world's most widely used sustainability reporting framework. Its core goals include the mainstreaming of disclosure on environmental, social and governance performance.

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CEO statement



Gilles Andrier
CHIEF EXECUTIVE OFFICER

WELCOME TO OUR SECOND ANNUAL SUSTAINABILITY REPORT. A LOT OF PROGRESS HAS BEEN MADE OVER THE LAST 12 MONTHS, WITH OUR FOCUS VERY MUCH ON TRANSLATING OUR SUSTAINABILITY VISION INTO ACTION – THE THEME OF THIS YEAR'S REPORT. TO ADD FURTHER CREDIBILITY TO OUR GLOBAL SUSTAINABILITY PROGRAMME, WE ARE REPORTING OUR PROGRESS UNDER THE GUIDELINES SET OUT BY THE GLOBAL REPORTING INITIATIVE (GRI) – THE BENCHMARK OF BEST PRACTICE IN SUSTAINABILITY REPORTING.

The pillars of our five-year business strategy:

Developing markets

Research and Development

Health and Wellness

Sustainable sourcing of raw materials

Targeted customers and segments

More information can be found at:
<http://www.givaudan.com/Our+Company/Strategy>



Matthias Waehren, chief financial officer, Givaudan, (pictured top left) visits the winning Green Team at Pedro Escobedo, Mexico, to present their Award.

As an important building block towards reaching our long-term sustainability aspirations, we now have ambitious, but realistic, eco-efficiency and safety targets for 2020.

In addition to our 2020 targets, we have made mid-term commitments with specific Key Performance Indicators. For example, by 2015 we will have asked 200 of our 400 top suppliers to have joined the SEDEX programme and we will have identified and developed additional sustainable sourcing initiatives.

These, and all our other commitments, outlined on page 10, have been developed by our Sustainability Steering Team and ratified by the Executive Committee. The Team, supported by our global organisation, has been working across our five sustainability programme pillars of Raw Materials, Employees, Innovation and Development, Operations, and Customers and Markets, throughout 2010. Examples of the progress made are shared in this Report.

The Sustainability Steering Team has been supported in the delivery of our programme by our employee Green Teams. These are local employees who volunteer to find innovative and practical ways to enhance the sustainability credentials of our sites, across the world. To acknowledge their achievements, in 2010 we launched our Green Team Sustainability Award, celebrating best practice sustainability progress across our operations. We are delighted to include the initiatives shortlisted and the winner, Pedro Escobedo in Mexico, in our Employees and Operations chapters.

Despite our sustainability successes during 2010, we need to be mindful of external influences, such as the economic climate, which threaten to steer attention away from sustainability objectives. However, we believe that delivering business benefits and prioritising sustainability principles are not mutually exclusive. Indeed, our sustainability focus will help steer us through the changing and volatile economic climate, and is vital to our overall five-year strategic business planning.

We are proud of our achievements so far, but there is always room for improvement. Employees, customers, suppliers, investors and regulators already play a significant role in shaping our Sustainability Programme. We are also a registered signatory of the United Nations Global Compact corporate responsibility initiative. Yet we recognise that there are more relationships to be formed, and we intend to review and develop a broader and deeper engagement plan during 2011.

One particular example will be forming partnerships to progress our new Givaudan charitable causes. In our Fragrance Division, the overall charitable theme we will support is 'Blindness', as the sense of smell becomes even more critical for blind and visually impaired people. The Flavours theme is 'Family Nutrition'. We will provide an update on our progress on these themes, and other partnerships, in our next Report.

We look forward to you joining us as we progress our sustainability journey even further, so together we can continue to meet the needs of the present without compromising the future.



SUPPORTING THE UN GLOBAL COMPACT: AS A DECLARATION OF OUR SUSTAINABILITY COMMITMENT, WE BECAME A SIGNATORY OF THE UNITED NATIONS GLOBAL COMPACT IN FEBRUARY 2010. THE GLOBAL COMPACT PRINCIPLES ARE EMBEDDED IN GIVAUDAN'S VISION AND VALUES AND THE GIVAUDAN BUSINESS CODE OF CONDUCT, WHICH ALL EMPLOYEES MUST COMPLY WITH.

Sustainability Programme Chairman statement



Joe Fabbri

GLOBAL HEAD OF HUMAN RESOURCES,
EH&S, IM&S, AND CHAIR OF THE
GIVAUDAN SUSTAINABILITY PROGRAMME

ONE OF THE MOST SIGNIFICANT DEVELOPMENTS OF THE LAST YEAR HAS BEEN THE ESTABLISHMENT OF A NEW ECO-EFFICIENCY LEADERSHIP TEAM IN GIVAUDAN. THE TEAM CONSISTS OF REPRESENTATIVES FROM THE ENGINEERING AND OPERATIONS FUNCTIONS, WORKING CLOSELY WITH OUR NEW SITE ECO-EFFICIENCY TEAMS TO ENSURE THAT WE WILL DELIVER AGAINST OUR TARGETS FOR 2020.

Our operational targets for 2020 are: (against a 2009 baseline)

CO₂ EMISSIONS



REDUCTION TARGET PER
TONNE OF PRODUCTION

WASTE



INCINERATED AND LAND-FILLED
WASTE REDUCTION TARGET
PER TONNE OF PRODUCTION

ENERGY CONSUMPTION



REDUCTION TARGET PER
TONNE OF PRODUCTION

WATER CONSUMPTION



REDUCTION TARGET MUNICIPAL
AND GROUND WATER PER TONNE
OF PRODUCTION

SAFETY RATE BELOW



LOST TIME INJURY RATE

We are making good progress. Compared with 2009, our 2010 results indicate that our water efficiency improved by more than 10%, our energy use has decreased by almost 5% and our CO₂ emissions reduced by 7.3% per tonne of product.

Examples of our shorter-term successes can be found across each of our five sustainability pillars and are detailed throughout this Report. In Raw Materials, for example, we have now signed up to a new Ethical Sourcing partnership on the island of Mohéli, in the Indian Ocean. In addition to ensuring that our perfumers obtain an exclusive quality of Ylang Ylang Extra, the project will improve energy efficiency – lowering costs for our suppliers and reducing impacts on the local ecosystem.

Similarly, our community-based programme in Madagascar involves our agronomist working with local farmers to help them improve techniques to ensure quality production of vanilla beans. We have also achieved Fair Trade status for our vanilla beans processed in East Hanover, US, with some of the price premium being returned to the producers.

Moreover, 2010 saw the launch of our internal sustainability communications programme. This includes an employee survey, regular e-newsletters and a comprehensive e-learning module. Our employee-driven awareness-raising programmes have had impressive results, such as the project at our Cuernavaca site in Mexico, which resulted in our employees using less paper and plastic in the workplace.

In Innovation and Development, we have been working in strategic partnership with the University of California, Riverside (UCR), where we have made a significant financial commitment to supporting the sustainability of citrus, which is used in many flavours and fragrances. Our involvement in the programme will help ensure the preservation and longevity of the collection, and will strengthen our efforts to preserve a diverse world of citrus for many more years to come.

Operationally, we have seen many innovative projects, such as the plastic waste packaging recycling programme at Naarden, the Netherlands, which has seen a reduction in CO₂ emissions of 137 tonnes per year.

When it comes to working with customers, our site based in Jaguaré, São Paulo, Brazil, has continued to make considerable savings in both water consumption and CO₂ emissions. Working closely with Unilever, we calculated a potential saving of about 150,000 litres of water per year, and considerable transport-related CO₂ emissions, by making small changes to our operational and logistics methods.

This Report outlines just some of the great examples of our work carried out across the world. We invite your feedback and look forward to sharing our progress with you as our Sustainability Programme enters its next phase on the journey towards our future targets.

Our 2010 performance



The above data has been calculated based on GRI definitions.

Community Investments have also been made but are not currently recorded as such.

More detailed financial information about the scale of our organisation and our operational structure is available in our 2010 Annual Report, pages 3 and 42 respectively, which can be downloaded at: www.givaudan.com/Investors/Financial+Information

Awards received during the reporting period

Miriad® 2.0, our portal into an extensive portfolio of tools for consumer understanding, was the winner of this year's FiFi® 2010 Fragrance Foundation Technological Breakthrough of the Year award for Fragrance Creation and Formulation. More information about the awards our customers' fragrances have won are included on pages 25-26 of our Annual Report.

Nature of ownership and legal form

Givaudan SA, 5 Chemin de la Parfumerie, 1214 Vernier, Switzerland, the parent company of the Givaudan Group, is listed on the SIX Swiss Exchange under security number 1064593. The company does not have any subsidiaries that are publicly listed. Information on Givaudan SA's significant shareholders as per art. 20 Swiss Stock Exchange Act can be found on:

www.six-swiss-exchange.com [shares]
[company] [significant shareholder]

Understanding our impact

Given our complex raw materials supply chain and limited control of the end-of-life of the products containing our fragrances and flavours, our task is to build knowledge around the sustainability impacts of our business and deliver continuous improvements.

Delivering on our sustainability vision is challenging. Located in 45 countries, and with a truly global customer base, we work within a wide range of regulatory requirements, and with many different stakeholders including our customers, employees, suppliers and the local communities in which we operate.

Recognising this complexity, Givaudan has been committed to operating a sustainable business model for many years; this model was enhanced during 2009, the first year of our Sustainability Programme. We worked with The Natural Step, a not-for-profit organisation, to understand the extent of our sustainability impact and to help us develop a long-term sustainability vision based on five pillars. These pillars cover our entire product lifecycle from sourcing of raw materials to the end-of-life of our customers' products.

During 2010, we started to translate this vision into action, identifying and prioritising the issues that have the ability to make the greatest impact on our business, and that we have the greatest ability to influence.

Moving into the third year of our Sustainability Programme, we are extending this review of specific sustainability issues and are conducting a comprehensive risk assessment of our entire sustainability impact, including the perspectives of our various stakeholders. This will enable us to map out additional actions and strengthen our Sustainability Programme further.

More information regarding our overall corporate approach to risk management can be found in our 2010 Annual Report, page 40 or at www.givaudan.com/investors



Understanding our sustainability challenges

As a global company, Givaudan faces a multitude of evolving sustainability challenges, which are becoming even more apparent as we progress along our sustainability journey. Below are some of the challenges faced in the five different pillars of our Sustainability Programme, and an introduction to projects we are undertaking to overcome them.



Raw Materials

According to the United Nations, the world's population is expected to rise to between eight and ten billion by 2050 – an increase of over 40% since the mid-2000s. Combined with growing prosperity in much of the developing world and changing consumption patterns, food, energy and water requirements are expected to rise by 30 to 50% in the next 20 years¹. Subsequently, pressures on our shared ecosystems will significantly increase, causing multiple and detrimental impacts. These include soil loss and reduced soil health, deforestation, desertification, increased natural disasters such as floods and droughts linked to climate change and dramatic loss of biodiversity.

As the largest individual ingredients buyer in the global fragrance and flavours industry, it is critical to invest responsibly in the supply chains of today, to ensure availability of ethically and sustainably sourced materials tomorrow. Our core objectives are to ensure a high quality and competitive supply, while respecting social rights and sensitive ecosystems.

Despite the economic recovery since 2009, some of our suppliers have experienced turbulence and consolidation over the past two years. We recognise the need to work closely with them to ensure stability and value for all.

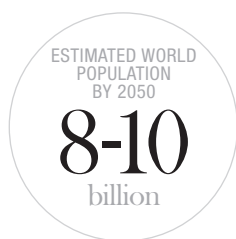


Employees

We believe our sustainability commitments will help people to choose Givaudan as their preferred employer and indeed, if we fail to uphold our commitments, employees may decide to leave and work elsewhere.

Our employees bring our sustainability strategy to life; without their support we will not progress towards our vision. We have programmes in place around the world designed to engage our employees in thinking sustainably both in the workplace and beyond. We also foster and encourage employees, passionate about sustainability, to create Green Teams to implement sustainability actions locally.

We take our duty of care for our employees seriously and have invested considerable resources in 2010 in our 'Zero is Possible' safety programme to further strengthen workplace safety. Our SafeStart™ initiative is helping raise awareness and build understanding of how to create an even safer workplace environment.



¹ World Economic Forum, Global Risks 2011.

2013

START OF BAN ON ANIMAL
TESTING UNDER THE
7TH AMENDMENT OF
THE EU COSMETIC
DIRECTIVE



Innovation and Development

Safeguarding health and wellbeing is of paramount importance in our product innovation and development. Givaudan complies with all international regulations governing the flavours and fragrances industry. Our raw materials and finished products are subject to numerous tests and studies, which assess compatibility with both human health and the environment.

Givaudan is the key contributor from the fragrance industry in the development of in-vitro methods of testing for skin sensitisation. Our work was published in various scientific journals in 2010, and we hope it will set the standard for the industry as the 2013 ban on animal testing, under the 7th amendment of the EU Cosmetic Directive, draws closer.

The REACH European regulations came into force in June 2007, requiring companies to assess and register chemical substances and make their use subject to authorisation. Givaudan is fully compliant with all currently applicable parts of the REACH directive – including pre-registration and registration for the REACH first phase in 2010 (for all substances over 1,000 tonnes per annum, plus those substances with R50/53 classification used in quantities greater than 100 tonnes per annum).

Similarly, we have continued to drive regulatory advocacy activities within the International Organisation of the Flavour Industry (IOFI). This critical committee, chaired by Givaudan, is working closely with the European Union Food Safety Authority and EU Commission to ensure a smooth implementation of the most important reforms to flavour regulations in the EU for the past 30 years.



Operations

Our Operations network includes 33 sites in 18 different countries. Integration of services and production across our supply chain aims to establish a world-class, industry-leading supply organisation in support of our business and our sustainability targets.

To facilitate our ambitions, we have implemented the SAP data processing system across several of our production sites. This system allows us to coordinate strategic planning of our supply chain, as well as to monitor key performance indicators and work more effectively with our customers, partners and suppliers.

In partnership with our clients we are working to measure and reduce environmental impact. Our primary focus is on eco-efficiency. This involves efficient use of both water and energy and ensuring that we generate minimal waste, effluents, residues and emissions. In February 2011, we launched our new eco-efficiency targets and plans to reduce CO₂ emissions, energy, waste and water consumption between now and 2020. To reach these targets, we commit to pursuing excellence throughout our operations and will monitor the improvements made by our actions against the baseline measurements we established in 2009.



Customers and Markets

Consumer awareness and interest in the ethical and environmental credentials of the products they are buying is increasing. Our Fragrance Division is working with our fine fragrance, personal and homecare customers to ensure that our ingredients have the best possible sustainability profiles.

In addition, mounting consumer interest in healthy eating is a major opportunity for our flavours customers and ourselves, and we are working in partnership with many of them to reduce the fat, salt and/or sugar content of foods, without compromising the tastes which consumers love.

The increasing pressure by consumers and environmental groups to ensure full traceability of supply has encouraged us to further increase our sustainability audit programme – a major area of focus for our supplier auditing work.

Our sustainability commitments

We have identified priority sustainability topics for the mid-term, which we have committed to action, setting specific measurable Key Performance Indicators (KPIs) where possible. Progress against these KPIs is reported in this Report.

OUR 2009 SUSTAINABILITY REPORT EXPLAINED OUR VISION AND LONG-TERM ASPIRATIONS FOR EACH OF OUR FIVE SUSTAINABILITY PROGRAMME PILLARS.

More information can be found at:

http://www.givaudan.com/staticweb/StaticFiles/GivaudanCom/Publications/Sustainability/2009_sustainabilityReport.pdf



Raw Materials

We source materials in ways that preserve our environment, stimulate the development and wellbeing of communities and safeguard an efficient use of precious resources.



Employees

We attract, develop and retain talented, creative professionals who feel passionate and proud of the work they do in our company and who are empowered to contribute to a sustainable society.



Innovation and Development

Givaudan leads in creating consumer-preferred flavours and fragrances that are designed and developed in line with sustainability principles in order to satisfy current and future needs.



Operations

We continuously drive operational excellence without compromising the environment or the health and wellbeing of our employees and the communities in which we operate.



Customers and Markets

We actively engage with our customers to ensure that all of our products promote the health and wellbeing of people and preserve our planet. We do this by encouraging our business partners to support our goals throughout the complete lifecycle of their products.

Our Commitments

Expand sustainable sourcing focusing on naturals

Work with our suppliers to contribute to sustainability throughout our value chains

Conduct regular reviews of our portfolio and implement improvements through our ethical sourcing programme

Engage employees in sustainability thinking and practices

Reduce incidents by strengthening the workplace environment, safety behaviour and awareness

Implement local Green Teams which take local ownership of the Sustainability Programme and support local sustainability opportunities

Embrace diversity throughout our organisation and create a diverse and inclusive workforce

Work together with our local communities on projects and causes that benefit the communities within which we work

Continue to supply safe products for people and the environment

Ensure Givaudan products are safe for people and the environment when used as intended. Full regulatory compliance of all products

Ensure our products are not persistent in the environment after their use

Reduce animal testing and develop alternative test methods

Create superior products in a sustainable way

Promote health and wellness through our products

Do more with less, promoting innovative design based on concentrated quality and compacted fragrances

Improve eco-efficiency of factory operations with a focus on greenhouse gas emissions, waste and water

Reduce our overall footprint focusing on eco-efficiency for,

- energy
- carbon emissions
- incinerated and land-filled waste
- water

against a 2009 baseline

Foster customer partnerships to share responsibility through product lifecycle

Engage with customers to develop new technologies for healthier and sustainable products

KPIs

Communicate with all suppliers about procurement requirements relating to social responsibility

Conduct audits with 200 of our top 400 suppliers by 2015; 200 of our top 400 suppliers to have joined the SEDEx programme by 2015

Identify and develop additional sustainable sourcing initiatives

Build 14 schools in Madagascar by 2014

Develop third-party certification projects for raw materials

Conduct 'Zero is Possible' Behavioural Safety programme

LTI-rate 0.1 by 2020

100% sites with Green Teams

Increase the representation of females in our senior leadership positions

Build partnerships with non-profit organisations and work on charitable themes: 'Blindness' and 'Family Nutrition'

Fragrance Division compliance with European REACH registration requirements, as they become applicable, in 2010, 2013 and 2018

Flavours health and wellness programme incremental sales target of CHF 100 million; incremental growth from 2009 to 2013

Energy consumption: 20% reduction, per tonne of product, by 2020

Water use: 15% reduction, per tonne of product, by 2020 (for municipal & ground water)

Direct and indirect CO₂ emissions: 25% reduction, per tonne of product, by 2020 (indirect relates to purchased energy and not energy used by others i.e. our raw materials suppliers)

Total weight of waste by type and disposal: 15% reduction, per tonne of product, by 2020

Establish joint initiatives to further progress towards Givaudan sustainability targets and those of our partners

Our stakeholders

From the sourcing of raw materials, through the delivery, use and disposal of consumer products, our stakeholders have the ability to impact Givaudan, and be impacted by our actions.

We want to work together with our stakeholders ensuring they understand us, our strategic direction, our motivations and goals, and the progress we are making, by communicating in a transparent way. Even more critically, we want to ensure we are taking into account their needs, and benefiting from their early identification of risks and opportunities, allowing us to prioritise our actions accordingly. We recognise that this requires a commitment to genuine and unprejudiced two-way dialogue.

To formalise this commitment, in 2010 we began a process of reviewing and evaluating the diverse stakeholder engagement initiatives that exist across our company. The starting point was the identification of all our stakeholder groups, an overview of which is outlined (right).

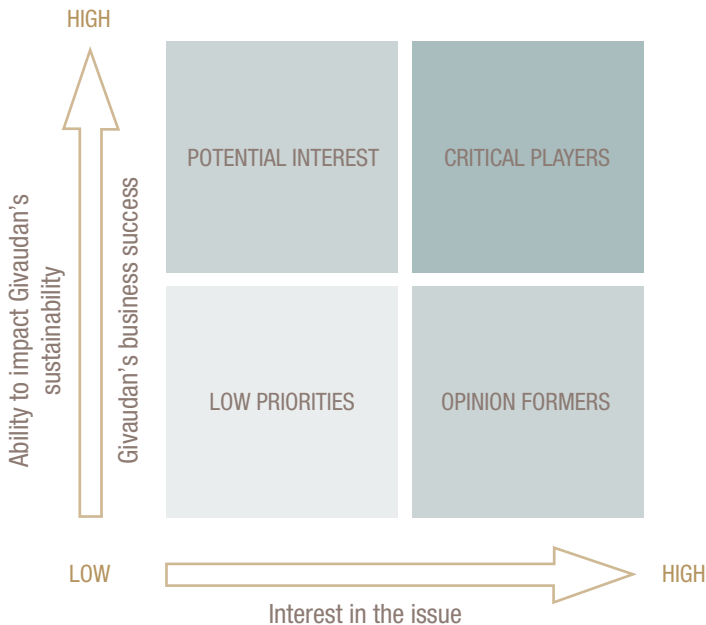
Following an internal survey and subsequent analysis, our primary sustainability stakeholders are:

- Owners/investors (shareholders)
- Customers
- Employees
- Public & regulatory authorities
- Local communities
- Suppliers

OUR ULTIMATE STAKEHOLDERS ARE THE PLANET, ITS SENSITIVE ECOSYSTEMS AND PEOPLE – WITHOUT WHICH WE SIMPLY WOULD NOT HAVE A BUSINESS.



Determining critical players



WE ALREADY ENGAGE WITH SOME OF OUR KEY STAKEHOLDERS ON AN ONGOING BASIS.

During our Annual General Meeting, for example, investors and shareholders are able to put forward any motion that they would like to discuss, and to present to the Board of Directors.

We hold regular European Works Council consultations with a group of employees, which represents work council members from all EU Member States where we have operations. The purpose is to keep employees informed and consulted about significant structural changes in the organisation, and to report any feedback to the Executive Committee. In addition to a formal annual meeting, where sustainability forms part of the agenda, European Works Council meetings take place as dictated by business events.

During 2011 we will be reviewing our current practices to bring more focus to our stakeholder engagement actions. Critical to this will be our ability to prioritise the different views and requirements of the different audiences we need to engage with (see above) and to develop a formalised strategy, process and calendar. We look forward to sharing more detail in next year's Sustainability Report.

Engaging with Ethos

JUST ONE EXAMPLE OF OUR EXISTING STAKEHOLDER DIALOGUE IS OUR DIALOGUE WITH SOCIALLY RESPONSIBLE INVESTMENT EXPERTS, ETHOS.

The Swiss-based Foundation for Sustainable Development, which represents more than 100 institutional investors, has been helping us find appropriate solutions to current challenges and in gaining early insights into future expectations. Our 2010 discussions focused on the topic of delivering tangible results through our Sustainability Programme and it has been instrumental in the development of our Key Performance Indicators.

www.ethosfund.ch

Encouraging employee feedback

TO HELP EMBED SUSTAINABILITY IN OUR EMPLOYEES' DAILY WORK, IN 2010 WE DEVELOPED A SERIES OF ONLINE SUSTAINABILITY LEARNING MODULES, AND PROVIDED SUSTAINABILITY-RELATED INFORMATION ON OUR INTRANET, AS WELL AS THROUGH TARGETED NEWSLETTERS.

In February 2010, we also undertook a comprehensive internal employee survey to gauge current understanding of sustainability and to ask for suggestions for improvement. More than 600 employees responded, a significant return rate, with many people volunteering to get involved on a local site basis. Their suggestions have all been considered by our corporate Sustainability Steering Team and many are now being implemented.



RAW MATERIALS

RESPONSIBILITY IN SUPPLY



OUR ULTIMATE GOAL IS TO ENSURE THAT OUR PURCHASING DECISIONS PRESERVE AND SAFEGUARD THE ENVIRONMENT AND STIMULATE THE DEVELOPMENT AND WELLBEING OF THE COMMUNITIES FROM WHICH WE SOURCE.



In 2010, we conducted a thorough re-assessment of our main suppliers to identify and mitigate any risks for continued and sustainable supply. We have set ourselves a target of auditing 200 selected suppliers by 2015.

With the majority of our Givaudan manufacturing sites now participating in the Supplier Ethical Data Exchange (SEDEX), we ran a pilot with our own suppliers in 2010. Based on a risk analysis, we selected an initial group of 30 suppliers, and recommended that they join SEDEX. In 2010, 11 suppliers completed SEDEX self assessment questionnaires, and we will be inviting a further 170 to join in 2011.

As a signatory to the United Nations Global Compact, we have also updated our Global Vendor Expectations document, to notify raw materials suppliers that they need to comply with its principles. We acknowledge that today most synthetic raw materials have very few commercially-viable, environmentally-sustainable, alternatives to petroleum-based products. Therefore, our current priority remains to source from suppliers with sustainability programmes in place and who are working to reduce their social and environmental impacts.

We realise that our commitment to sustainable sourcing must go beyond auditing and the provision of supplier expectations documentation. We now have more than five different ongoing sourcing initiatives, each combining security of supply of critical raw materials with delivering benefits for local communities.

We are continuing to support a school-building programme in Laos, from where we source benzoin, which we hope will help create a sustainable and continued livelihood for the local communities thereby countering rural exodus. We were proud to see a second school, funded by Givaudan, open in 2010. We also concluded arrangements with the local population for the supply of other exclusive ingredients, such as red ginger, beeswax and cinnamon, which provides them with an additional income stream.



Supporting communities in Madagascar



IN LAST YEAR'S SUSTAINABILITY REPORT WE INTRODUCED OUR NEW COMMUNITY-BASED PROGRAMME TO ENSURE A SUSTAINABLE SUPPLY OF CONSISTENT QUALITY VANILLA BEANS FROM MADAGASCAR. OUR OBJECTIVE IS TO PROVIDE SUPPORT IN EDUCATION AND SPECIFIC SUSTAINABLE AGRICULTURAL PRACTICES TO MALAGASY FARMERS, TO ENSURE PRODUCTION OF THE HIGHEST QUALITY VANILLA BEANS AND MAXIMISE REVENUES FOR GENERATIONS TO COME.

Extracting high-quality vanilla from beans is complex and dependent on many factors including climate, soil conditions, cultivation as well as drying and curing methods. Eighty per cent of the world's vanilla comes from Madagascar so it is vital to Malagasy farmers to have sustainable resources and optimised skills to produce crops of high quality and value, today and in the future. However, easy access to education is sometimes difficult in Madagascar.

To help ensure this, we have pledged to assist more than 2,000 families, in rural vanilla-growing areas, through the building of 14 schools by 2014. The schools are built using local, renewable materials and we are working in partnership with local villagers to ensure that they have the necessary support to maintain and repair them in the future. The project had an encouraging start in 2010 with the successful completion of four schools, in the villages of Ambohimombo, Nosivolo, Morafeno and Ambalamahongo.

Our Givaudan agronomist has also worked with local farmers on optimum vanilla growing and harvesting practices such as: preventing a specific root fungus with the potential to destroy vines; the proper maintenance of 'host trees' on which the vanilla vines climb; and the implementation of a new Givaudan-patented curing process. We also work alongside the Malagasy villagers to reduce their reliance on rice imports by intensifying their own rice production – a main staple of the Malagasy diet.

Furthermore, in our drive to optimise the sustainability throughout our supply chain, Givaudan is now officially Fair Trade certified for vanilla in our East Hanover, US facility. Some of the price premium paid is being returned to the producers. The Fair Trade beans we have procured can be converted into Fair Trade certified extracts for developing vanilla flavours for our customers.



New Ylang Ylang partnership secures sustainable supply

YLANG YLANG, QUITE LITERALLY MEANS 'FLOWER OF FLOWERS'. ITS HEADY SCENT IS SWEET, SLIGHTLY SPICY FLORAL AND THE OIL IS HIGHLY PRIZED BY PERFUMERS. A NEW ETHICAL SOURCING PARTNERSHIP ON THE ISLAND OF MOHÉLI IS ENSURING GIVAUDAN PERFUMERS OBTAIN AN EXCLUSIVE QUALITY OF YLANG YLANG EXTRA – THE HIGHEST GRADE OF THIS PRECIOUS OIL.

Mohéli is the smallest of the Comoros, a cluster of islands in the Indian Ocean, from which Ylang Ylang is traditionally sourced. Over time the Ylang Ylang essential oil production has not maintained its quality.

The project will safeguard traditional production techniques and secure premium quality Ylang Ylang essential oils. Working with a local producer with many generations' experience of producing and exporting aromatic plants from the Comores, we are investing in specific distillations of Ylang Ylang. The project is multi-faceted. It includes investments to support the expansion of children's education, through the purchase of school supplies, as well as the installation of new distillation stills to increase the energy efficiency of the production process, and the establishment of a Ylang Ylang nursery to initiate a replanting programme.



EMPLOYEES

PASSION WITH PURPOSE

WITHOUT THE SUPPORT OF OUR EMPLOYEES, WE COULD NOT TURN OUR SUSTAINABILITY VISION INTO REALITY. WE WANT OUR EMPLOYEES TO BE EMPOWERED TO CONTRIBUTE TO A MORE SUSTAINABLE SOCIETY AND FEEL PROUD OF THEIR ACHIEVEMENTS.

In 2009, we introduced our Green Teams grass-roots initiative; local groups of employees empowered and encouraged to contribute to the Givaudan Sustainability vision by proposing and implementing practical changes at an individual site level. Now, just one year on, all our sites have a Green Team in place. The teams are encouraged to identify local sustainability opportunities, thereby raising awareness of sustainable operations across Givaudan and delivering results.

Their achievements have been impressive and have made an impact across our entire organisation through sharing best practice from site to site including via our 'green tip of the week' programme. In recognition of this, the Givaudan Executive Committee launched the Green Team Sustainability Award for the best sustainability initiative in the company. The activities undertaken by the winning Green Team, Pedro Escobedo in Mexico, and some of those shortlisted, are outlined on the following page and included in detail in our Operations pages 20 to 23.

Providing a safe and healthy working environment is of paramount importance to us. In 2009 we launched our behavioural-based safety awareness programme, 'Zero is Possible'; which was aimed specifically at line managers. The objective was to strengthen a safety culture in which every employee is acutely aware of their own safety and the safety of the people around them. In 2010, 'Zero is Possible' was developed

further; see the Safe Start™ case study in our Operations section, page 19 for more information about the programme and our progress against our long-term Lost Time Injury Rate target.

Another major milestone for us this past year has been the publication of our Diversity Position Statement. As a global company we need to understand local cultures and local preferences for different flavours and fragrances. Indeed, much of our success has been founded on understanding and appreciating the diversity of our employees and, in turn, the markets in which we operate. With 82 locations in 45 countries, many of which have 15 or more nationalities working together, diversity has always been important to Givaudan. Our new Diversity Policy Statement, which is available at www.givaudan.com, explains what diversity means to Givaudan and where we will be focusing our attention to ensure we retain and motivate the right mix of talent.

Looking outside our organisation, the last 12 months have seen many excellent examples of our employees working together to benefit the local communities in which we work and donating to charities that need our support. We have developed some excellent local community partnerships along the way.

Building on this firm foundation, we have now reviewed and updated our framework for charitable giving and defined charitable

themes for Givaudan globally. We are aligning our charitable and community support to our corporate theme 'Engaging the Senses', and we will focus on enhancing quality of life through wellness and wellbeing.

Our Fragrance Division has chosen an overall charitable theme of 'Blindness' as the sense of smell becomes even more critical for blind and visually impaired people. The Flavour Division will be focusing on 'Family Nutrition'. Our flavours team based in Cincinnati, for example, is working with the city's Freestore Foodbank to provide hungry children with nutritious and easy-to-prepare food to take home on weekends and school vacations.

Linked to our ultimate aspiration of an 'attractive place to work for everyone', we also published our Employee Value Proposition (EVP) in 2010 which describes the reasons why our employees want to work for Givaudan. Our EVP was developed as a direct result of employee input, either through an online survey or focus groups. It is published on www.givaudan.com and we continue to work hard to deliver our promise to employees.

Finally, and to deliver on our aspiration to have an 'educated workforce', we have developed a comprehensive set of e-learning materials about sustainability and our Givaudan Sustainability Programme, which is available to all employees through our on-line learning centre.

Our Green Teams have delivered impressive results in 2010, a selection of highlights include:



Left to right:
Sant Celoni, Spain.
Bromborough, UK.
Pedro Escobedo, Mexico:

EMPLOYEES KPI DATA

2010 staff turnover

885 on total headcount of 8,955

BY GENDER: 54.5% male
45.5% female

BY AGE: 20-29: 21%
30-39: 34%
40-49: 22%
50-59: 12%
60+: 10%

BY REGION: Asia Pacific: 22%
Europe, Middle East,
Africa: 47%
Latin America: 14%
North America: 17%

Percentage of headcount covered by collective bargaining agreements

YES: 34.6%
NO: 65.4%

Total 2010 headcount by employment type, employment contract and region

EMPLOYMENT CONTRACT:

Full time: 8,672
Part time: 283

EMPLOYMENT TYPE:

Regular: 8,712
Internal temporary: 243

BY REGION: Asia Pacific: 20.6%
Europe, Middle East,
Africa: 47.5%
Latin America: 11.1%
North America: 20.8%

Gender split by category

SENIOR MANAGEMENT:

Male 82% - Female 18%

MIDDLE MANAGEMENT:

Male 57% - Female 43%

ASSOCIATES:

Male 64% - Female 36%

ENERGY EFFICIENCY/CO₂ REDUCTION

- Sant Celoni, Spain: delivered a combined energy saving of approximately 670 MWh, and an associated CO₂ reduction of 142 tonnes/year, through a range of operational energy efficiency measures
- Naarden, Netherlands: a change to the spray-drying method has seen the plant achieve an estimated gas saving of around 10%, a cost reduction of €1,200 each year, and saving 11 tonnes of CO₂ emissions
- Bromborough, UK: Lean manufacturing techniques relating to spray-drying have seen a reduction in wash down and drying times of 19%. Overall, the site has experienced a reduction of CO₂ emissions of approximately 150 tonnes
- Jigani, India: timers fitted to roof ventilation exhausts created energy savings of 51,000 kWh in 2010

WATER SAVING

- Ashford, UK: achieved a total saving of 81,000 litres of water/month by fitting motion sensors to some of the men's urinals

SUSTAINABILITY AWARENESS

- Bromborough, UK: held a behaviour change awareness week to promote energy, water and waste-saving tips and ideas
- Cuernavaca, Mexico: launched several programmes to raise awareness and promote eco-efficiency improvements
- Bangkok, Thailand: launched a Green Team of the week concept which has now been replicated in Shanghai
- Singapore: designed eye-catching 'switch off when not in use' light switch stickers which are now being used as far afield as Vernier in Switzerland



REDUCING WASTE

- Sant Celoni, Spain: reduced the use of fresh solvents in its cleaning processes, reducing waste by 100 tonnes/year and saving €129,000
- Naarden, Netherlands: recycling plastic packaging waste has saved over 150,000 kg of CO₂ emissions
- Ridgedale, US: replacement of disposable cups with mugs has helped change people's mindset and reduced waste to landfill
- Vernier, Switzerland: the extraction of copper from waste water allowed water to be treated in the site's Waste Water Treatment Plant, instead of contracting out for incineration, reducing disposal costs by 82%
- Argenteuil, France: set up a new composting facility, which saw the recycling of 4 tonnes of organic peelings from fruit and vegetables from the site's catering team

REDUCING INORGANIC GAS EMISSIONS

- Pedro Escobedo, Mexico: the burning of non-chlorinated by-product on-site has led to a reduction in the site's emissions of SO₂, NO_x and CO₂

BIODIVERSITY

- Jigani, India: found a sustainable solution for the humane removal of bees nesting on the site
- Cuernavaca, Mexico: employees took part in a major reforestation project by planting 400 trees

More information about the activities of our Green Teams can be found in the Operations section, starting on page 20.

INNOVATION AND DEVELOPMENT

DELIVERING SUSTAINABLE CREATIONS



WITH A LONG-TERM GOAL TO HAVE 100% OF OUR NEW PRODUCTS 'SUSTAINABLE BY DESIGN', OUR INNOVATION AND DEVELOPMENT TEAMS LAUNCHED MANY SUSTAINABILITY-RELATED RESEARCH PROGRAMMES IN 2010.

Our industry-leading scientific research into the biodegradation of certain components of essential oils used in fine fragrances has recently been published and is helping others understand the persistence of fragrance ingredients in the natural environment.

Similarly, Givaudan is a key contributor from the fragrance industry to the development of in-vitro methods of testing for skin sensitisation. Our work was published in various scientific journals in 2010, and we are working towards it setting the standard for the industry as the 2013 ban on animal testing under the 7th amendment of the EU Cosmetic Directive draws closer. Our novel method was transferred to the laboratories of three industrial partners and an independent testing institute. In a joint project, the reproducibility of the method was confirmed, and forms the basis for validation of the method by the relevant authorities. Our dedicated research and development team in Dübendorf, Switzerland, continues to lead research in this area, in close collaboration with clients and international partners.

Meanwhile, our flavours scientists are continuing to develop innovative ways to significantly reduce salt, sugar, fat and MSG in our customers' products across the world. This area of taste technology poses considerable challenges and opportunities for flavourists trying to reduce the level of these ingredients in foods and beverages, while maintaining the great local taste experiences that consumers expect. The Chilean government for example has recently brought in legislation about salt levels in food, while India and China have introduced new standard definitions regarding obesity measurement.

We have established centres of excellence in the Netherlands, the US and Switzerland, to develop internal experts who can learn from, and share knowledge with, colleagues right across our global network.

These newly-acquired skills are enabling the creation of lower-salt, sugar, fat and MSG flavours. In turn, some consumers are now expressing a preference for the new flavours over the standard products.

Our Innovation & Development research does not focus solely on our finished products. Givaudan scientist Roman Kaiser has spent more than ten years collecting and investigating the scent of around 500 endangered plant species worldwide – 267 of which are described in his new book: 'Scent of the Vanishing Flora'. Kaiser has worked on the investigation and reconstitution of all types of natural scents using the so-called 'headspace' technique, which he pioneered in 1975. This method allows scent samples to be collected in a non-destructive way which is beneficial for the plant, global biodiversity, and for fragrance development. Furthermore, the book has been endorsed by the Convention on Biological Diversity, and linked to the United Nations Environment Programme as part of its International Year of Biodiversity.





Preserving citrus diversity with University of California, Riverside

CITRUS IS ONE OF THE MOST IMPORTANT CROPS IN THE WORLD – USED IN MANY FRAGRANCES, EATEN AS A FRUIT, USED IN COOKING, AND UNQUESTIONABLY ONE OF THE FAVOURITE FLAVOURS OF THE BEVERAGE INDUSTRY AND ITS CONSUMERS. WORKING IN STRATEGIC PARTNERSHIP WITH THE UNIVERSITY OF CALIFORNIA, RIVERSIDE (UCR), WE HAVE MADE A SIGNIFICANT FINANCIAL COMMITMENT TO SUPPORTING THE SUSTAINABILITY OF THIS PRECIOUS RESOURCE.

UCR is in its second century of cutting-edge research on improving disease and pest resistance, nutritional value, production methods, and environmental adaptation to heat, drought and associated issues in citrus. At the heart of this research is a historical living treasure – the Citrus Variety Collection. This Californian-based collection is one of the most extensive repositories of citrus diversity globally, with 2,200 trees representing more than 1,000 varieties.

Our involvement in the programme will help ensure the preservation and longevity of the Collection and will strengthen our efforts to preserve a world of citrus for many more years to come.



How persistent are our fragrances?

ENSURING OUR FRAGRANCES ARE NOT PERSISTENT IN THE ENVIRONMENT AFTER THEIR USE IN CONSUMER AND HOUSEHOLD PRODUCTS IS ESSENTIAL TO ALL OUR STAKEHOLDERS AS, UNLIKE OTHER INDUSTRIES, WE CANNOT RECLAIM OR RECYCLE OUR PRODUCTS. USING EXTENSIVE IN-HOUSE TEST DATA, WE HAVE ASSESSED THE ABILITY OF OUR INGREDIENTS TO BREAK DOWN INTO CARBON DIOXIDE AND WATER, MAKING THEM HARMLESS TO OUR NATURAL ECOSYSTEMS.

Our industry-leading analysis includes both synthetic and natural ingredients – some of which are complex and difficult to test in standard biodegradation test conditions.

A priority area of focus for this work in 2010 has been natural essential oils, which are made up of a variety of constituent parts. One common family of constituents are called ‘sesquiterpenes’. Despite being naturally-occurring, the molecular structure of sesquiterpenes indicates, in theory, that most do not biodegrade.

In response to this, we formed a collaboration with Robertet SA, a major natural aromatics products company, to undertake our own proprietary testing of sesquiterpenes. The test results, which proved they are in fact biodegradable, were peer reviewed

and have been accepted for publication in the Society of Environmental Toxicology & Chemistry (SETAC) journal.

In addition, these, and over 300 of our other biodegradation test results, have now been fed back into the external CATALOGIC model for predicting biodegradation. A collaboration with Ovanes Mekenyan at the University “Prof. Assen Zlatarov” in Bulgaria will assist others with their own assessments of the biodegradability of fragrance ingredients, helping build further understanding of this complex and important topic for our industry.



OPERATIONS

DRIVING OPERATIONAL EXCELLENCE

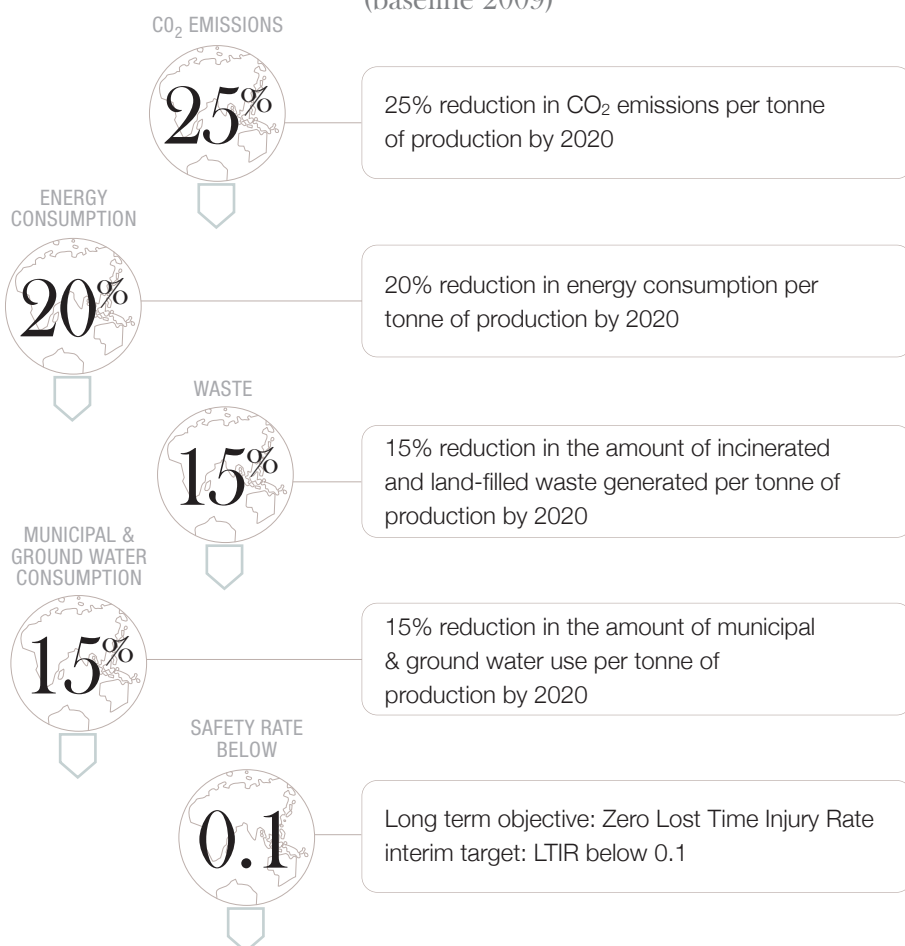


DRIVING OPERATIONAL EXCELLENCE LIES AT THE HEART OF OUR BUSINESS. IT IS OUR RESPONSIBILITY TO PRODUCE THE HUNDREDS OF THOUSANDS OF TONNES OF FLAVOURS AND FRAGRANCES PRODUCTS WE MAKE EACH YEAR WITHOUT COMPROMISING THE ENVIRONMENT, HEALTH AND WELLBEING OF OUR EMPLOYEES, OR THE COMMUNITIES IN WHICH WE OPERATE.

Only by regularly measuring and tracking the impacts of our operations can we ensure that negative ones are minimised, which is why we introduced quarterly reporting of all our eco-efficiency related Key Performance Indicators (KPIs) across all manufacturing sites in 2010.

With this wealth of data available, we analysed trends and set ambitious but realistic targets for the next ten years. These firm reduction commitments were ratified by the Givaudan Executive Committee in January 2011, which tasked a new Eco-Efficiency Leadership Team with developing a plan and priority areas in order to deliver on our commitments. Their recommendations will combine smaller-scale capital investment ideas and best practice guidance, supported by new local site eco-efficiency teams, in order to implement larger-scale infrastructure improvements. We look forward to reporting on the actions we have taken in next year's Report.

Operational targets 2020 (baseline 2009)





Mexican site awarded 'Clean Industry Certification'

PRODUCING MANY THOUSANDS OF TONNES OF FRAGRANCE INGREDIENTS, AND EMPLOYING CLOSE TO 200 PEOPLE, THE PEDRO ESCOBEDO SITE IS ONE OF GIVAUDAN'S LARGEST PRODUCTION PLANTS. IT HAS BEEN UNDERGOING AN AMBITIOUS INVESTMENT AND MODERNISATION PROGRAMME SINCE 2008.

Located in a rural area in the Mexican heartland, the site has developed a strong relationship with the local community and neighbouring villages, supporting numerous local projects and events. It has also cultivated an open relationship with the authorities based on mutual trust and continuous improvement.

In recognition of this, it was awarded the 'Industria Limpia' clean industry certification from the Mexican Environmental Protection Agency (PROFEPA) in October 2010. The certification recognises the commitment of the site to reduce the impact of its activities on the environment and for its continuous improvement over the past few years.



Zero is Possible evolves with SafeStart™



IN LAST YEAR'S SUSTAINABILITY REPORT, WE HIGHLIGHTED OUR GLOBAL BEHAVIOURAL-BASED SAFETY PROGRAMME 'ZERO IS POSSIBLE'. IN 2010, THIS SAFETY TRAINING PROGRAMME WAS EXTENDED FROM INITIAL LINE MANAGER AWARENESS TRAINING TO ALL EMPLOYEES USING THE GLOBALLY-RECOGNISED SAFETY AWARENESS PROGRAMME, SAFESTART™.

SafeStart™ methodology is based on simple concepts that can be related and applied to situations in everyday contexts. Modular training teaches people to recognise the personal 'states' and 'error patterns' that lead to the risk of injury.

Our goal is to use SafeStart™ throughout our organisation and during the induction process for new employees. Using external trainers we are starting the programme with 15 sites, before certified internal trainers deliver the remainder. We aim to train all employees worldwide by the end of 2011.



Five major production sites ISO 14001 certified

OUR FRAGRANCE INGREDIENTS PRODUCING SITES ARE CERTIFIED AGAINST THE ENVIRONMENTAL MANAGEMENT ISO 14001 STANDARD: VERNIER IN SWITZERLAND, SANT CELONI IN SPAIN AND PEDRO ESCOBEDO IN MEXICO.

Also accredited are the Flavour sites at Daman in India and Cimanggis in Indonesia.

Making progress on our injury rate target

DURING 2010, OUR MANUFACTURING SITES' LOST TIME INJURY (LTI) RATE, PER 200,000 HOURS WORKED, IMPROVED BY 16%, COMPARED TO 2009 AGAINST A LONG-TERM MILESTONE OF BELOW 0.1 IN 2020.

There were no occupational fatalities.

	2009*	2010
Number of LTIs	79	68
LTI Rate	1.03	0.86
Number of Total Recordable Cases (TRC)	135	117
Total Recordable Cases Rate	1.76	1.48
Number of lost days	N/A	709

* compared with 2009 Sustainability Report the number of LTIs has been corrected from 77 to 79 because 2 cases moved from non-LTI to LTI

LTI and TRC are both according to the official OSHA definitions



OPERATIONS

DRIVING OPERATIONAL EXCELLENCE

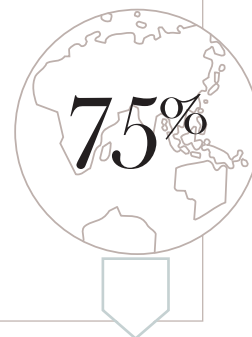
Water use

Compared with 2009, although our consumption of municipal and ground water remained almost constant, our water efficiency, per tonne of product, improved by more than 10%. The majority of our water used is for cleaning, and is more or less independent of the production volume, hence an economy of scale is visible. The contrary is valid for the use of surface water (mainly for cooling purposes), which increased with an increased production volume of processes requiring cooling. Despite the apparent independency of water use and production, initiatives to reduce water consumption remain a focus.

SENSING FURTHER WATER SAVINGS WITH A TOILET PLAN

Our Ashford, UK, site achieved a total saving of 81,000 litres of water per month by implementing a new flushing system in some of the men's toilets.

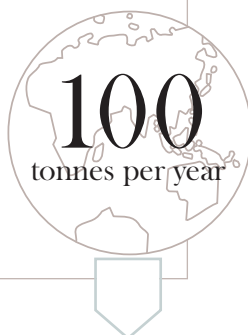
The Green Team installed a sensor called Flushmatic, a device which only triggers flushing when it senses movement near to the urinals. The new system has instantly cut water usage by 75% and will now be rolled out to all urinals at the Ashford site.



CUT IN WATER USAGE
Ashford, UK

FRESH APPROACH TO WASTE REDUCTION

The Green Team at Sant Celoni, Spain, has come up with a simple but effective way of reducing solvent waste. Previously, when manufacturing different products in the same installation, the required cleaning of the equipment involved the use of fresh solvents. The Green Team discovered that the same level of cleanliness could be achieved through the use of eliminated by-products. The result is an annual waste reduction of 100 tonnes per year, and an annual cost saving of €129,000.

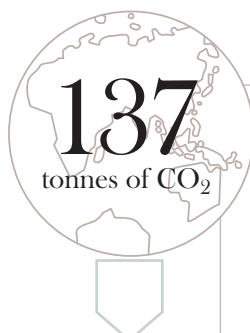


WASTE REDUCTION
Sant Celoni, Spain

Waste generation and disposal

During 2010, our total global waste figures (incinerated, land filled and recycled) for hazardous and non-hazardous waste increased by 23% and 16% respectively, compared with 2009, due to an increase in production. The current relationship between waste generated and production is indirectly reflected by the efficiency per tonne of incinerated and land-filled waste, which remained constant against a target of 15% reduction by 2020.

The percentage of recycled waste in the total waste stream increased from 39% to 42%. The total quantity of waste sent to landfill decreased by 9%, per tonne of product. Contrary to most other parameters, our waste indicators are not currently showing the correct trend year-on-year. We are working hard to understand our generation of the different waste streams to ensure we meet our eco-efficiency target for 2020 – 15% reduction per tonne of product produced for incinerated and land-filled waste. No inventory of waste is maintained.



REDUCTION OF
CO₂ EMISSIONS
Naarden site,
the Netherlands

RECYCLING INITIATIVE HAS THE WHOLE PACKAGE

A project to recycle plastic packaging has provided our Naarden site, in the Netherlands, with a reduction of 137 tonnes of CO₂ emissions. Thanks to a new initiative which replaces the incineration of plastic, the packaging is separated, cleaned and then shredded, ready to be collected. It is subsequently used to produce plastic parts for the automotive and packaging industries.

'THINK GREEN' ENGAGES AND DELIVERS

An awareness-raising project called 'Piensa Verde' has proved a success at our Cuernavaca site in Mexico. The Green Team launched several programmes to raise awareness and produce eco-efficiency improvements. As a result, employees use less paper and plastic in the workplace, and now recycle batteries and ink cartridges. In 2010, employees also took part in reforestation projects, planting 400 trees.



REDUCTION OF
CO₂ EMISSIONS
Cuernavaca, Mexico

Energy use and CO₂ emissions

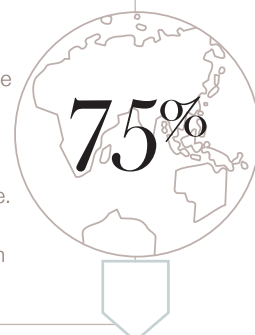
Numerous Green Team awareness-raising actions at a local level, in combination with capital investments, have resulted in our improved energy efficiency per tonne of product produced. Despite our absolute energy use increasing by 8%, due to increased production volumes, our energy use (Scope 1 and 2) per tonne of product has reduced by almost 5% against our 2020 target of 20%.

Examples of savings made include the installation of energy-efficient lighting, which has occurred for instance at our Carthage site, US, where the electricity consumption reduced by over 250,000 kWh. Similarly, installation of LED-lights at our Jigani site in India resulted in a saving of 13,000 kWh. Spray drier improvements leading to higher energy efficiencies (and reduced CO₂ emissions) per tonne were realised in the Bromborough, UK, and Naarden, the Netherlands. The CO₂ emission efficiency (Scope 1 and 2), improved by 7.3% during 2010, per tonne of product produced, compared with 2009, against a target of 25% reduction by 2020.

ENERGISING EMPLOYEES TO MAKE SAVINGS

Employees at Bromborough, UK, have made a significant impact on the site's energy and water consumption, and waste generation, thanks to an awareness week for staff and contractors, set up by the local Green Team. As well as talks from external speakers about sustainability tips and ideas, employees took part in a whole host of activities to create awareness about ways in which they could directly help drive our Sustainability Programme.

The success of the awareness week has been remarkable. The latest figures show a year-on-year decrease in waste to landfill of 75%, a water usage reduction of 19%, and an overall energy reduction of 10%.



DECREASE IN WASTE TO LANDFILL
Bromborough, UK



INDIRECT ENERGY SAVINGS
Pedro Escobedo, Mexico

INNOVATIVE SOLUTION FUELS ENERGY SAVINGS

Following 15 years of discussions with environmental authorities, Pedro Escobedo is the first company in Mexico to be granted a permit to burn non-chlorinated by-products on-site. The plant generates nearly 2,000 tonnes of organic by-products each year, which would have previously been disposed of by paying for an external company to remove them.

By burning the by-products internally in boilers to produce steam, the project at Pedro Escobedo has created both sustainability and economic value. In 2010 alone, the site indirectly made energy savings of 15%, by no longer needing to purchase heavy fuel oil, and made a reduction in emissions of SO₂, NO_x and CO₂.



Non-production site reporting

Fifteen per cent of our total workforce is based in non-production locations, which consist of a combination of commercial offices, laboratories and creation centres. In 2010 these locations were asked to report on certain aspects of their operations – specifically the number of occupational injuries, energy and water use, and the generation and handling of different waste streams.

The overall environmental impact of these locations is below 5% of our total manufacturing locations. As these locations are often rented as part of a bigger building it is sometimes difficult to get

reliable data and validate the reported data. Even so, it is estimated that total energy use (electricity and natural gas) is about 3% of the total energy use of Givaudan manufacturing. Use of municipal water is about 2.7% of our total. The total quantity of hazardous waste disposed of remains small (less than 0.1% of global Givaudan volumes). The quantity of non-hazardous waste generated is 0.6 %, of which 25% is recycled.

However, as with our manufacturing locations, we believe every contribution counts. Local Green Teams have been established at these non-manufacturing locations to raise awareness

about the efficient use and reduction of energy and water, and reducing waste. Good examples are the Green Team activities at our Ridgedale, US, site. A prime objective during 2010 was to 'educate' colleagues through newsletters, kiosk messages and site meetings to help them reduce the use of non-recyclable materials and electricity. A suggestion box was also set up for sustainability-related improvements at work or at home. Similarly, in our Bangkok office in Thailand the 'Green Tip of the Week' has become a strong tool to raise awareness and make people think about savings in utilities at work and at home.



SUSTAINABLE SOLUTION TO A STINGING PROBLEM

An infestation of bees at the Jigani site in India had caused health risks to employees, who were in danger of being stung. The nests themselves would also often cause damage to outside light fittings as they fell from nearby tree branches.

To improve safety the Green Team sourced a sustainable solution for removing the bees, which involved the use of medical herbs. This method is a humane alternative to killing the bees as they are smoked out, enabling the queen bee to be relocated in the nearby forest. The other bees then follow her and leave the site.

CUSTOMERS AND MARKETS

PRODUCT IMPACT



PARTNERSHIPS WITH OUR CUSTOMERS ALLOW US TO BUILD INTERNAL AND EXTERNAL KNOWLEDGE AND TAKE ACTION TOGETHER TO MEET OUR SHARED SUSTAINABILITY CHALLENGES, ACROSS THE FULL LIFECYCLE OF END PRODUCTS.

We are committed to health and wellness – our Flavour Division KPI of CHF 100m incremental growth, by 2013, from health and wellness related products, illustrates our focus. Our objective is to help our customers meet increasing nutritional requirements and government regulations regarding sodium, fat and sugar content, without compromising the taste consumers love.

In 2010 we launched Sense It™ Salt – a major breakthrough in helping customers respond to a global demand for reduced sodium levels in foods from soups, sauces and ready-meals to snacks and cereals. Sense It™ Salt is a unique sensory language that enhances Givaudan's ability to accurately assess the consequences of reducing salt and the performance of flavours or ingredients that are used to restore the taste of salt.

Our Fragrance Division is also seeing increasing customer and broader stakeholder demands for products with minimal impact on the environment. It is undertaking considerable work in this area including the Fragrance compaction programme featured in the example on the opposite page and the biodegradation work outlined in our Innovation & Development pillar on page 18.

In addition to our own work, we are keen to recognise others in the health and beauty industry who are seeking to reduce their impact on society and the environment. We are proud sponsors of the Cosmetic Executive Women (CEW) Eco Beauty Award, which has been established by the leading trade organisation in the beauty industry to encourage beauty brands to take steps towards sustainability.





Unilever partnership prompts water and CO₂ emissions reductions

WORKING IN PARTNERSHIP WITH ONE OF OUR MAIN CUSTOMERS, UNILEVER, THE GIVAUDAN SITE BASED IN JAGUARÉ, SÃO PAULO, BRAZIL HAS BEEN ABLE TO MAKE CONSIDERABLE SAVINGS IN BOTH WATER CONSUMPTION AND CO₂ EMISSIONS.

Together we identified opportunities to reduce water consumption in the manufacturing process for aroma – raw materials used in the production of concentrated bouillons. Because of the high concentration of odours, which would otherwise be emitted and could be unpleasant for neighbouring communities, this industrial process required an effective tank and tube washing system which uses large volumes of water. Preliminary analysis with Unilever established a significant potential for water saving by a simple reorganisation of the production batches.

Savings achieved after nine months include a reduction of about 100,000 litres of water and nine tonnes of CO₂ emissions by optimising the distribution of loads among the plants.

Joelma Gouveia, National Supply Management Director Brazil, Unilever, said: "This partnership with Givaudan is an example of the kind of work we intend to develop under the company's strategy. The examples clearly show how small changes can make a big difference for the environment. We expect to be reporting further results in the coming years."

Small is beautiful for fragrance customers

MORE CONCENTRATED PRODUCTS AND SUSTAINABLE PACKAGING ARE A GROWING TREND, WITH MANUFACTURERS LOOKING TO REDUCE THE ENVIRONMENTAL IMPACTS OF PRODUCTION, TRANSPORT AND THE END-USE OF THEIR FRAGRANCED PRODUCTS.

We have responded by working to compact the fragrances that we design – reducing the volume of fragrance that needs to be added to a product, while maintaining performance.

To create compacted fragrances, our perfumers use higher impact speciality fragrance materials, which can significantly reduce product volumes. The effect of the new perfume formulations is to use less fragrance to create the same or greater odour impact. The corresponding improvements in both packaging and transport are beneficial to both people and the environment.

In addition to developing the new techniques and formulations, we have incorporated the new methodology into training the next generation of perfumers in the Givaudan Perfumery School, equipping them to create fragrances to meet the future needs of both people and the planet.



Operating in a sound and ethical manner

Givaudan's corporate governance system is aligned with international standards and practices to ensure proper checks and balances and to safeguard the effective functioning of the governing bodies of the company.

Details of the system are published on our company website. Our corporate governance system complies with the Swiss Code of Obligations; the Directive on Information Relating to Corporate Governance issued by the SIX Swiss Exchange; and the 'Swiss Code of Best Practice for Corporate Governance' issued by *economiesuisse*. These take into consideration relevant international governance standards and practices.

Except when otherwise provided by law, the Articles of Incorporation and Givaudan's Board regulations, all areas of management are fully delegated by the Board of Directors, with the power to sub-delegate to the Chief Executive Officer, the Executive Committee and its members. The organisational regulation of Givaudan also specifies the duties and the functioning of its three Board Committees.

Givaudan Board and committees

The Board is charged with ensuring that we conduct our business responsibly. It ensures that our Code of Business Principles remains fit for purpose and is properly applied. The Board of Directors is comprised of three Committees: an Audit Committee, a Nomination and Governance Committee and a Compensation Committee. More detail regarding their specific functions can be found on page 44 of our 2010 Annual Report and at www.givaudan.com.

Governance of our codes

The Principles of Business Conduct of Givaudan underline our commitment to create an environment where trust and confidence in the ethics of our endeavours are assured, providing value to our customers, shareholders and other stakeholders.

Our Corporate compliance organisation is responsible for overseeing and managing ethical compliance issues within Givaudan. For more information visit: www.givaudan.com/Our+Company/Corporate+Governance/Rules+and+Policies.

The Executive Committee, led by our Chief Executive Officer, is responsible for implementation of the codes, supported by the corporate compliance organisation.

Delivering our Sustainability Programme

The Executive Committee is supported in matters of sustainability by our corporate Sustainability Steering Team (SST), whose members are drawn from all areas of the company. The team has monthly update calls and meets face-to-face on a quarterly basis.

Our Sustainability Programme also benefits from coordination by the Sustainability Project Management Organisation (PMO) – internal specialists in corporate responsibility and sustainability who guide and coordinate the development and implementation of our sustainability strategy.

To ensure alignment between these groups, both our SST team and the PMO are sponsored by a member of the Executive Committee.

The sustainability framework is supported by specialist teams within Givaudan, such as Environmental Health & Safety (EH&S), Human Resources (HR), Eco-efficiency, Research & Development, Compliance, Legal, Communications and Regulatory. These teams also obtain expert external advice as appropriate.



The Givaudan Sustainability Steering Team.

FROM LEFT TO RIGHT:

Stephane Zwaans, Global Head of Raw Materials Purchasing

Dr. Annette M. Schüller, Corporate Compliance Officer

Dr. Simon Halle-Smith, Head of Fragrance Human Resources

Juliet Fairclough, Sustainability Manager Fragrance Division

Koos Brandenburg, Head Sustainability for Flavour and Fragrance Operations

Joe Fabbri, Global Head of Human Resources, EH&S, IM&S and Chair Givaudan Sustainability Programme

Maro van Andel, Sustainability Manager Flavour Division

Stefanie Weitz, Manager Corporate Office and Sustainability Communications

Mickael Blais, Givaudan Sustainability Project Leader

Rona Weekes, Head of Global Marketing, Consumer Understanding and Sensory, Flavour Division

Performance data

Key Performance Indicators		2009	2010	10/09%	Trend
Energy (GJ)	Direct energy (own sources*)	1,733,689	1,903,974	9.82%	▲
	Indirect energy: purchased electricity & steam	900,029	941,579	4.62%	▲
	Total energy	2,633,718	2,845,553	8.04%	▲
Energy Efficiency (GJ/tonne of production)					
	Direct energy efficiency			-3.04%	▼
	Indirect energy efficiency			-7.90%	▼
	Total energy			-4.65%	▼
CO ₂ emissions (tonnes)*	Scope 1: from direct energy sources	109,523	115,880	5.80%	▲
	Scope 2: from indirect energy sources	110,743	115,594	4.38%	▲
	Total CO ₂ emissions	220,266	231,474	5.09%	▲
CO ₂ Emissions Efficiency (tonne CO ₂ /tonne of production)				-7.26%	▼
Waste generation and disposal (tonnes)					
Hazardous waste	Incinerated	11,296	14,450	27.92%	▲
	Land-filled	706	430	-39.09%	▼
	Recycled	4,182	5,070	21.23%	▲
	Total hazardous waste	16,184	19,950	23.27%	▲
Non-hazardous waste	Incinerated	3,897	3,528	-9.47%	▼
	Land-filled	6,632	7,116	7.30%	▲
	Recycled	9,940	13,039	31.18%	▲
	Total non-hazardous waste	20,469	23,683	15.70%	▲
	Total waste (HZ & NHZ)	36,653	43,633	19.04%	▲
	Total incinerated & land-filled waste (HZ & NHZ)	22,531	25,524	13.28%	▲
Waste Efficiency (tonne of waste/tonne of production)†				-0.02%	▼
Water (quantity used m ³)	Municipal water	2,265,814	2,286,913	0.93%	▲
	Ground water	964,224	972,352	0.84%	▲
	Municipal & ground water	3,230,038	3,259,255	0.90%	▲
	Surface water	3,919,352	4,862,255	24.06%	▲
	Total water*‡	7,149,390	8,121,570	13.60%	▲
Water Efficiency (m ³ /tonne of production)*				-10.95%	▼
Other data*	Nitrogen oxides (NOx) tonnes**	93	101	8.60%	▲
	Sulphur dioxide (SO ₂) tonnes	364	434	19.23%	▲
	CFC inventory (tonnes)	14.82	13.56	-8.48%	▼
	CFC loss-replacement (tonnes)	1.42	1.70	20.10%	▲
Incidents	Lost Time Injury (LTI)	79	68	-13.92%	▼
	Medical Treatment (MT)	28	30	7.14%	▲
	Restricted Work Case (RWC)	28	19	-32.14%	▼
	Total Recordable Cases (TRC)	135	117	-13.33%	▼
	Lost Time Injury Rate (LTIR)	1.03	0.86	-16.50%	▼
	Total Recordable Injury Rate (TRIR)	1.76	1.48	-15.91%	▼
	Worked hours	15,314,093	15,864,211	3.59%	▲
Production	Production quantities			13.31%	▲

* includes natural gas, light fuel, heavy fuel and liquid petroleum gas

◆ Greenhouse Gas data are limited to CO₂ emissions

† includes incinerated & land-filled waste (HZ & NHZ)

◆ includes sanitary, cooling and process water

★ includes municipal and ground water

* Volatile Organic Compound (VOC) emissions are insignificant for most factories; calculation method and measurement for ingredient-producing factories to be introduced during 2012

** quantity is calculated by multiplying the annual fuel consumption with the corresponding emission factor for fuel type

Data measurement techniques and the basis of calculations

Our data collection system, ENABLON, has been in place for three years. It allows reported data to be collected globally using local employees who are trained in how to report and document the data. Each location is responsible for its own accuracy and consistency.

To ensure standardised data collection, key indicators are clearly defined each with a detailed definition and scope; measurement process, calculation methodology and measurement record keeper.

Re-statement of information provided in 2009 Sustainability Report

Following the introduction of quarterly reporting for Environmental Health & Safety-based parameters, more detailed data analysis was conducted leading to some small corrections for the previously-reported 2009 baseline figures.

The corrections concerned: the quantities of primary and intermediate energy use, water consumption; total waste; and the quantity of recycled hazardous waste. With the exception of the latter all corrections are less than 1% (see table below). The 6.8% increase for recycled hazardous waste is related to one of the reporting sites, which mistakenly reported the number of empty drums, expressed as kgs, instead of the actual weight of the empty drums.

Total energy use has increased by 0.8% while CO₂ emissions decreased by 0.5%; this apparent inconsistency is caused by the adjustment of an earlier used CO₂ conversion factor and the re-allocation of energy which was delivered to a third party.

Production quantities also needed a correction of -3.1%, which implies that compared with 2008 the production quantity was 3.5% lower in 2009.

Regarding the reporting of injuries, in 2009 two cases, which were earlier classified as reportable cases without lost time, have since been reclassified as Lost Time Injury cases.

There have been different interpretations of the scope of the previously reported indicators 'EHS investments' and 'EHS expenses', which led to a lack of consistency in the figures reported by the various sites. The decision has therefore been taken to first work on better definitions so that future reporting will provide meaningful information. We will report figures for 2011 as a baseline in our next Sustainability Report.

Significant changes from previous reporting period

In October 2010 manufacturing activities at our Argenteuil site in France ceased; the products produced at that site have since been transferred to other Givaudan locations. There have been no other major changes to Givaudan's reporting boundary.

Parameter	2009 reported figure	Corrected figure	% change
Total Energy (GJ)	2,611,796	2,633,718	+0.8%
Total CO ₂ (tonne)	221,317	220,266	- 0.5%
Total water (m ³)	7,116,843	7,149,390	+0.5%
Hazardous waste recycled (tonne)	3,915	4,182	+6.8%
Total waste (tonne)	36,386	36,653	+0.7%

GRI standard disclosures index

1. Strategy and Analysis			
Profile disclosure/ Performance indicator	Description	Reported	Page
1.1	Statement from the most senior decision-maker of the organisation.	Fully	4
1.2	Description of key impacts, risks, and opportunities: a. Key impacts on sustainability and effects on stakeholders. b. Focus on sustainability trends, risks, challenges and opportunities.	Fully	12, 13 7, 8, 9
2. Organisational Profile			
2.1	Name of the organisation.	Fully	1
2.2	Primary brands, products, and/or services.	Fully	2
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	2, 6, 26, 27
2.4	Location of organisation's headquarters.	Fully	2 & back cover
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the Report.	Fully	2, 3
2.6	Nature of ownership and legal form.	Fully	6
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	2
2.8	Scale of the reporting organisation.	Fully	2, 6
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	29
2.10	Awards received in the reporting period.	Fully	6
3. Report Parameters			
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	3
3.2	Date of most recent previous Report (if any).	Fully	3
3.3	Reporting cycle (annual, biennial, etc.)	Fully	3
3.4	Contact point for questions regarding the Report or its contents.	Fully	3
3.5	Process for defining Report content.	Fully	3, 10
3.6	Boundary of the Report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Fully	3
3.7	State any specific limitations on the scope or boundary of the Report.	Fully	3
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	3
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	Fully	29
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement.	Fully	29
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the Report.	Fully	29
3.12	Table identifying the location of the Standard Disclosures in the Report.	Fully	30

4. Governance, Commitments, and Engagement

4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	26, 27
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Fully	26, 27
4.3	For organisations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Fully	26, 27
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	13, 26, 27
4.14	List of stakeholder groups engaged by the organisation.	Fully	12
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	12, 13
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Partially	13

Performance Indicators

Economic performance

EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	6
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Indirect economic impacts

EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	15, 19
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Environmental performance

Energy

EN3	Direct energy consumption by primary energy source.	Fully	23, 28
EN4	Indirect energy consumption by primary source.	Partially	23, 28
EN5	Energy saved due to conservation and efficiency improvements.	Fully	23, 28
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Partially	25, 28
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	23, 28

Water

EN8	Total water withdrawal by source.	Fully	22, 28
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Emissions, effluents and waste

EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	28
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	23, 28
EN19	Emissions of ozone-depleting substances by weight.	Fully	28
EN20	NOx, SOx, and other significant air emissions by type and weight.	Partially	28
EN22	Total weight of waste by type and disposal method.	Fully	22, 28

Social: Labour Practices and Decent Work

Employment

LA1	Total workforce by employment type, employment contract, and region.	Fully	17
LA2	Total number and rate of employee turnover by age group, gender, and region.	Fully	17

Labour/management relations

LA4	Percentage of employees covered by collective bargaining agreements.	Fully	17
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Occupational health and safety

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Partially	21
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Diversity and equal opportunity

LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	17
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Social: Human Rights

Diversity and equal opportunity

HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Partially	4, 11, 14, 15
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Child labour

HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	Partially	14, 15
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Public policy

SO5	Public policy positions and participation in public policy development and lobbying.	Fully	9, 18
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Social: Product Responsibility

Customer health and safety

PR1	Lifecycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Partially	9, 11
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This is our communication on progress in implementing the principles of the United Nations Global Compact

COMMUNICATION ON PROGRESS BY GIVAUDAN SA ON IMPLEMENTATION OF THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT 2010.

Introduction

Givaudan has been a signatory to the Ten Principles of the United Nations Global Compact (UN GC) since February 2010.

While the company had already been focusing on operating a sustainable business model for many years prior to joining, joining the UN Global Compact prompted Givaudan to develop a comprehensive Sustainability Programme (the Programme) and in March 2010 published its inaugural Sustainability Report. The Givaudan Programme and subsequent Report put into place an overarching framework to better coordinate efforts and drive sustainability principles right across the organisation. Many of these are aligned with the principles of the UN GC.

The first Sustainability Report summarised Givaudan's vision and long-term aspirations regarding defined five focus areas for sustainability, being raw materials purchasing, innovation & development, operations, customer & markets and employees. 2010 saw Givaudan moving from formulating and articulating vision into taking action.

This Communication on Progress (COP) describes the first tangible results of translating vision and principles into actions, and how Givaudan is supporting adherence to the UN GC principles with a focus on raw material sourcing, safety and the company's environmental footprint.

Activities on Human rights and Labour Principles

In the context of becoming a signatory of the UN GC, Givaudan's global purchasing function has revised its vendor expectation document, specifically stating that as a signatory to the UN GC Givaudan holds itself to high ethical and social standards regarding human rights, labour standards and anti-corruption, and that by consequence it has the same expectations of its vendors and toll manufacturers.

Following the successful participation of Givaudan's own manufacturing locations in the SEDEX (Supplier Ethical Data Exchange) programme, in parallel with the re-launch of the vendor expectation document, Givaudan started a pilot programme to request a first part of our suppliers to participate in SEDEX and complete the comprehensive SEDEX self-assessment questionnaire.

The results of the SEDEX questionnaire, as well as the supplier's approach towards child and forced labour, freedom of association and discrimination will be included in the verification of the existing supplier auditing programme.

In second half of 2009, Givaudan launched an occupational safety and health continuous improvement programme called 'Zero is possible'. This behavioural-based programme aims to further reduce the number of injuries; a target having been set of a 90% reduction by 2020 with an ultimate aspiration to reach zero incidents.

The programme consists of training sessions for line managers, an awareness-raising modular programme for all employees and site tailored incident prevention

initiatives. One year into the programme, a 15% reduction of injuries can be reported.

Within the Givaudan organisation, the Principles of Business Conduct is a governing charter for ethical behaviour including, amongst others, the fair treatment of employees with mutual respect and without any form of discrimination. These Principles also outlaw all forms of exploitation of children, including by suppliers and stipulate that Givaudan will not provide employment to children before they have completed their compulsory education and it will also not knowingly do business with suppliers that use child labour.

Key Performance Indicators have been agreed to monitor the company's performance regarding diversity-related policies and workforce characteristics; these indicators are based on the GRI indicators LA 1, 2, 4 and 13.

Activities on Environmental principles

Since becoming an independent company in 2000, Givaudan has reported on its environmental performance and footprint. Over the years, reduction of its footprint has been reported, however the company had never set quantitative environmental performance goals. Since the formal launch of our Sustainability Programme in August 2009, we have confirmed our commitments by defining quantitative improvement targets for a 10-year period. Targets for a reduction in energy use, CO₂-emission and water use, as well the generation of waste, have been agreed and will be published in our next Sustainability Report, in March 2011. These 10-year targets against a 2009 baseline will support the process of moving towards our defined and externally-communicated vision and ultimate aspirations of zero carbon and zero waste. The actual environmental performance of 2009 against 2008 was published in our 2009 Sustainability Report.

Further programmes are being developed to ensure delivery on our commitments. These programmes will include capital investments in improved infrastructure and technology, applying best practices in existing operations and the local improvements delivered by our site-specific Green Teams. At each Givaudan location, a site Green Team has been set up, consisting mainly of employee volunteers. The teams help raising awareness of the Sustainability Programme and identifying and implementing ideas to assist Givaudan to move towards its vision. Many Green Teams have already started delivering improvements in the context of reducing our environmental footprint. To encourage the Green Teams, and to showcase best practice, the Givaudan Leadership Board has presented an award scheme for the best sustainability idea developed and implemented by a Green Team which will be easy for others sites to adopt.

One further specific example of our activities on environmental principles concerns sustainable sourcing of raw materials. To ensure the long-term, sustainable supply of vanilla from Madagascar, we have initiated a series of community-based programmes in villages in the country. The aim is to both improve local

communities' wellbeing and to preserve the environment. This is achieved, for example, by supporting the improvement of the education infrastructure through the establishment of schools. Local growers also receive advice on production issues from a Givaudan-employed, specialist agronomist. During 2010, this community-based programme was started in five villages; this will be expanded to more locations with a goal of 14 villages by 2014. In addition, we have started to make products containing fair-trade vanilla products available to the market.

Activities on Anti-Corruption

Givaudan had already amended its Principles of Business Conduct in 2008 to align them with the guidance and principles to combat corruption developed by the OECD. In 2010, a dedicated Corporate Compliance Officer was appointed to monitor and verify compliance with internal and external policies, standards and requirements, including anti-corruption and related areas.

Reporting Principles

Givaudan's first Sustainability Report of March 2010 describes the vision and a set of long-term goals, referred to as ultimate aspirations and includes a review by The Natural Step Organisation. Givaudan's next Sustainability Report due in March 2011 will cover the move from vision into action and will be written following Global Reporting Initiative (GRI) guidelines – the aim is to meet the requirements of the level C application.

Statement of Continued support by the CEO

Givaudan SA is an internationally-operating company selling and manufacturing flavours and fragrance products to industrial customers. Being a signatory to the UN GC, Givaudan recognises the principles supporting sustainable development and, in my role as CEO of the company, I would like to express our continued strong support for them. We will continue to make the Global Compact and its principles part of the strategy, culture and day-to-day operations of our company and do the same in areas covered by our sphere of influence. We support public accountability and transparency, and therefore commit to reporting on progress annually according to the GC COP policy.

Next Communication on Progress in 2012

To underline the importance the UN Global Compact has for our sustainable development Givaudan SA intends to include its Communication on Progress in its Sustainability Report as of 2012. This Report is due in late March of 2012. As Givaudan SA is due to communicate on progress again by February 2012, we hereby request a grace period to allow us to delay communication until the issuance of the Sustainability Report.

Gilles Andrier
CEO
January 2011



Statement GRI Application Level Check

GRI hereby states that **Givaudan SA** has presented its report "Sustainability Translating Vision into Action" (2010) to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level C.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

11 March 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint, large GRI logo watermark in the background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance.
www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 2 March 2011. GRI explicitly excludes the statement being applied to any later changes to such material.



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