

2017 Sustainability Report



Givaudan

engage your senses



Key 2017 achievements

-19.4% Water use
 Target: -15% by 2020 from 2009 baseline

57.8% Renewable electricity
 Target: 100% by 2025



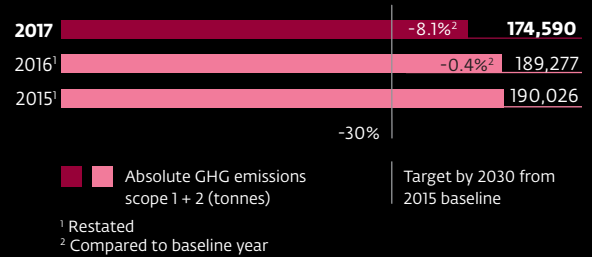
Givaudan's leadership on climate change action was recognised in 2017 by CDP. We were among the 120 global companies awarded the top score of A for reducing greenhouse gas (GHG) emissions and earned an A- for outstanding water stewardship.



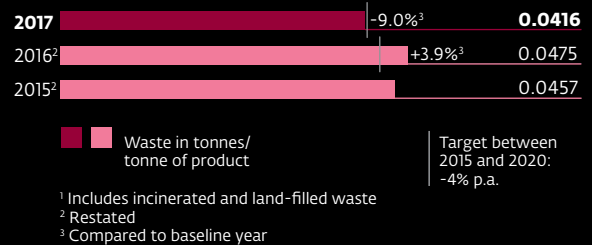
Our 2017 assessment achieved a gold level rating of 67/100 and positions us in the top 5% of suppliers in the chemical industry who complete the EcoVadis assessment.

GRI Disclosure 102 – 15

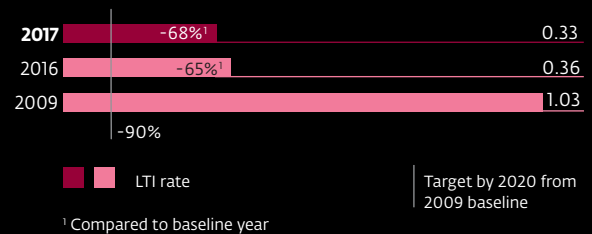
GHG emissions Scope 1+2



Waste¹



Lost time injury rate



About this report

Givaudan views sustainability as the natural path to success and a secure long-term future. Therefore sustainability is a key strategy for our business, enabling the Company to drive responsible growth and create new opportunities for shared success.

As part of our journey towards greater sustainability Givaudan is moving towards an integrated reporting strategy. The details of our progress will increasingly be included in the Annual Report, thus demonstrating how non-financial capitals contribute to our growth and development.

This year we have included more of the GRI content in the Annual Report, which was published in January. For example all of the information relating to employees can be found in that report. So to understand the full picture of our sustainability activities it is necessary to read both the Annual Report and the Sustainability Report.

The GRI Content Index and the GRI reference icons used throughout the reports show where the content to each disclosure can be found. Additionally, references to the United Nations' Sustainable Development Goals (SDGs) indicate Givaudan's contribution to these goals.

The 2017 Sustainability Report has been prepared in accordance with the GRI Standards: Core option; it covers the sustainability activity of Givaudan's wholly-owned companies from January to December 2017. Givaudan reports on sustainability once a year; the previous report was published in March 2017. In 2017 we finalised our new materiality matrix, which now reflects the trends, business issues and challenges facing us today. We have identified 22 material aspects that are detailed in this report. The GRI Materiality Disclosures Service verified that the Disclosures 102-40 to 102-49 were correctly located both in the GRI Content Index (pp. 67) and in the text of the report. External assurance is provided by Ernst & Young LLP (pp. 73).

This report also represents Givaudan's annual communication on progress (COP) towards our commitment to the UN Global Compact Principles. For more information see the principles of the UN Global Compact (pp. 65) and GRI Content Index (pp. 67).

Comments and questions can be sent to:
global.sustainability@givaudan.com.


 Disclosure 102 – 50 to 102 – 54

Table of contents

| | |
|---|-----------|
| Our highlights in 2017 | 3 |
| Leadership statement | 5 |
| Our sustainability approach | 9 |
| Supported initiatives and strategic memberships | 15 |
| Materiality and stakeholders | 19 |
| Stakeholder engagement | 21 |
| Material issues | 23 |
| Sustainable performance review | 35 |
| Sourcing for Shared Value | 37 |
| Innovating Responsibly | 43 |
| Acting for Our Environment | 47 |
| Appendix | 57 |
| Performance indicators – environmental | 59 |
| Performance indicators – restatement table | 61 |
| The principles of the UN Global Compact | 65 |
| The Sustainable Development Goals | 66 |
| GRI Content Index | 67 |
| Independent Assurance Statement | 73 |
| Overview of annual publications | 75 |

References used in Givaudan reports



References to Givaudan's Annual Report, Sustainability Report or website



References to GRI Standards



References to UN Sustainable Development Goals

Our highlights in 2017



Leading our industry on Responsible Sourcing

In 2017 we set an industry-leading target to ensure that 90% of our raw materials volume of natural origin is responsibly sourced by 2020. We consider a raw material of natural origin to be responsibly sourced when there are no gaps in the evaluation of its supply chain against our Responsible Sourcing Policy. Or, where gaps have been identified, appropriate improvement plans are in plan. The policy, which was published in 2016 and was a first in our industry, sets out a series of requirements and standards to be met by all suppliers in the areas of health and safety, social, environmental and business integrity.

We help suppliers to achieve compliance by working in partnership with them through our Responsible Sourcing Programme. This is a huge undertaking as Givaudan sources more than 10,000 raw materials from all over the world. What makes the 2020 target all the more ambitious is the supply chains comprise thousands of people and businesses. Given the magnitude of the task, our approach is to work hand-in-hand with our suppliers in a process of continuous improvement until we reach our goal.



Innovative focus on naturals and well-being

We have continued to innovate and craft new technologies that offer alternative sources of key natural raw materials. We continue to develop our SunThesis® citrus ingredients collection, a range of natural citrus oil replacers, which give citrus flavour from non-citrus sources. The technology enables us to meet our customers' needs while relieving some of the pressure on increasingly scarce citrus resources.

Fragrance innovation is focused on inspiring a sense of well-being by associating smells and positive mood states. For example, we used our extensive knowledge of the effects of fragrance on the brain to develop and launch a technology to help people sleep more soundly.

DreamScentz™ works on the link between fragrances, positive states of mind and the notion of a proper night's sleep. The technology offers new opportunities for our customers who are interested in expanding their product portfolio to include fragrance solutions that enhance the sleeping experience for consumers around the world.



Top award for climate change leadership

Givaudan's leadership on climate change action was recognised in 2017 by CDP, the non-profit global environmental disclosure programme. We were awarded the top score of A for reducing GHG emissions and earned an A – for outstanding water stewardship. Overall, Givaudan is among the 120 global companies participating in CDP's climate change programme to be recognised for leading climate action.

Our emission reduction activities span projects in three categories: low-carbon energy; energy efficiency; and transportation. We also engage with our suppliers to help them achieve best practice in environmental stewardship. Meanwhile, to ensure our continued progress on climate action and secure sustainable, long-term growth, Givaudan announced a set of ambitious targets for GHG reduction.

We have committed to reduce absolute Scope 1 and Scope 2 GHG emissions by 30% between 2015 and 2030. In addition we will reduce Scope 3 emissions by 20% over the same period.



Healthy living programme wins Green Team award

Throughout Givaudan our employees are driving our sustainability mission by finding new ways of improving the environmental and social performance of their local sites. They are known as Green Teams, and each year the Company awards the best projects.

In 2017, the judges received entries from all over the world, covering a wide variety of initiatives. Among the winners was the Dubai Green Team, which put together a programme of events to boost employee health, happiness and well-being – an important element of our Company values.

The year-long schedule included a wide range of activities that focused on wellness, nutrition and fitness, including sports days, yoga classes, marathon running, cycling and even zumba dance classes. Participants also got involved in fund-raising events and team-building activities. A key objective of the project was to drive employee engagement and develop strength and mutual support within the workforce.

The project lit the spark for a new culture of healthy living and a renewed drive for success.

Leadership statement

As a responsible company, Givaudan understands that it has a role to play in leading our industry towards greater sustainability.

We also believe that sustainability is the natural path to a secure and long-term future for our business; it lies at the heart of our vision and contributes directly to our corporate 2020 strategy of “Responsible growth. Shared success.”

Responsible growth. Shared success

Sustainability offers exciting opportunities to add value to our business - value that we can share with our customers. By further building sustainable practices into the way we source materials, develop products and reduce our environmental footprint, Givaudan will be better able to meet our customers' needs. We also want to look forward, to anticipate those needs in the changing global picture. Our aim is to transform the challenge of sustainability into new possibilities for our business and our customers.

Our commitment to a more sustainable future springs equally from a belief that corporations must offer the world leadership in acting to safeguard the planet. The future depends on companies who are prepared to put sustainability at the forefront of their strategies. This is what being a responsible and sustainable company means at Givaudan: we want to secure our business, while making a positive impact on the environment and society as a whole.

The road to sustainability

We began our journey towards sustainability in 2009 and since then we have made rapid progress and reached major milestones across the full lifecycle of our business. Today, it is fair to say that we have established a solid foundation in sustainability practice. Now we are ready to embark on the next phase.

Among the many challenges we will all face in the coming years is the increasing scarcity of the world's natural resources.

Our business relies on the secure supply of more than 10,000 raw materials, of which more than half originate from natural sources. So the efficient and responsible use of resources is essential, as is the assessment and careful management of our impact on the environment.

Our aim is to delight people around the world with unique sensory experiences that they can feel good about. We do this by making sure our products are sourced and produced in a way that respects people and the environment. Therefore, in preparation for the future and given the scale of the challenge, Givaudan has decided to increase its efforts and strengthen its approach to sustainability.

A Sense of Tomorrow

A Sense of Tomorrow is our new and strengthened approach to sustainability, which extends our vision to 2030 and beyond; it builds a picture of “what good looks like” for Givaudan and for our customers and the planet at large. A Sense of Tomorrow was developed with our key stakeholders and is aligned with the United Nations' Sustainable Development Goals, making Givaudan part of a global coalition working to ensure a better future.

The new approach focuses our efforts in three areas: Sourcing for Shared Value to drive the adoption of sustainable practices throughout our supply chains; Innovating Responsibly to create products that contribute to sustainability, and Acting for Our Environment to reduce our carbon footprint and contribute to corporate climate action.

In preparation for the next stage of our sustainability journey, we have set ambitious targets for responsible sourcing and environmental performance. By reducing greenhouse gas emissions, focusing on the latest green technologies and working in partnership to anticipate the challenges facing our industry, we will drive our vision forward and make the greatest positive contribution to our shared future.

Sourcing for Shared Value

Sourcing for Shared Value reinforces Givaudan's contribution to preserving the environment; stimulating the well-being of communities from which we source; and securing resources for the long term. By embedding social and environmental purpose



Gilles Andrier, Chief Executive Officer



Willem Mutsaerts, Head of Global Procurement and Sustainability

in the way we source, we can best respond to our customers' evolving needs and the increasingly stringent demands of consumers for more sustainable and differentiated products.

We have set a series of industry-leading targets for our Responsible Sourcing Programme, to be achieved by 2020. The programme is the means by which we work with our suppliers to lead supply chain transparency in the flavour and fragrance industry. We are committed to working with suppliers with strong business ethics who demonstrate respect for people and the environment.

Innovating Responsibly

Givaudan always seeks to drive innovation that enables pleasing consumer experiences and adds value that benefits society and the environment.

While expanding our customers' access to natural ingredients and solutions, we are using new forms of biotransformation to develop alternative sources of natural raw materials. For example in 2017 we launched our latest, fully bio-sourced molecule - the soothing skin agent BisaboLife™. Givaudan's Active Beauty business used an exclusive fermentation process to create this pure, natural, biodegradable and sustainable source of alpha-bisabolol.

In addition, novel sensory experiences are helping our customers to promote health and well-being. For example, DreamScentz™ is the innovative outcome of our research on the science of sleep. The technology offers new opportunities for our customers who are interested in expanding their product portfolio to include fragrance solutions that enhance the sleeping experience for consumers around the world. In flavours, we address the need for healthier and more nutritious foods by pioneering work to develop authentic taste alternatives for ingredients such as sugar and salt.

Meanwhile, we have extended our expertise in developing more sustainable sources of natural materials through recent acquisitions and partnership agreements. In October 2017 we announced a strategic partnership with Draco Natural Products to develop active botanical ingredients formulated using the principles of Chinese medicine. The naturally derived, sustainable ingredients will form part of our skin and hair-care portfolio.

Following the acquisition of the food ingredient expert Vika, we have embarked on a journey to provide our customers with a broader set of natural dairy and savoury solutions; and the on-going acquisition of Centroflora's Nutrition Division offers a unique opportunity to strengthen our naturals sourcing platform for Givaudan's flavours, fragrances and cosmetics businesses. Centroflora's comprehensive sustainability management programme will reinforce our own efforts in this area.

Acting for Our Environment

Givaudan is committed to an ambitious climate action agenda; we are determined to play our part in the global effort to limit the average rise in temperature to less than 2°C compared to the preindustrial level. Givaudan has set greenhouse gas (GHG) emission targets that have been approved by the Science Based Targets initiative, as have many of our largest customers. This commitment to industry leadership in climate change mitigation will help our customers to hit their own targets.

We work constantly to reduce GHG emissions, water consumption and waste. Our performance in leading climate action was recognised again this year by CDP when it awarded us the top score of A and an A- for water stewardship. We are proud to be among the 120 global companies to receive the top award.

A year of progress

Looking back on 2017, it has clearly been an important year at Givaudan for consolidating our progress towards sustainability in a new and strengthened approach. Once again we have shown through our actions how our commitment to sustainability is rooted in our strategy of “Responsible Growth. Shared Success.”, which for Givaudan means generating solid business performance and growth. By integrating our efforts in the three key areas of Sourcing for Shared Value, Innovating Responsibly and Acting for Our Environment, we can at once meet our customers’ needs and do what is right for the long-term future of our planet.

This makes us the partner of choice for our customers, who wish to inspire consumers with unique flavours and fragrances and at the same time stand by their own commitments to respect the rights of people and preserve the environment.



Gilles Andrier
Chief Executive Officer

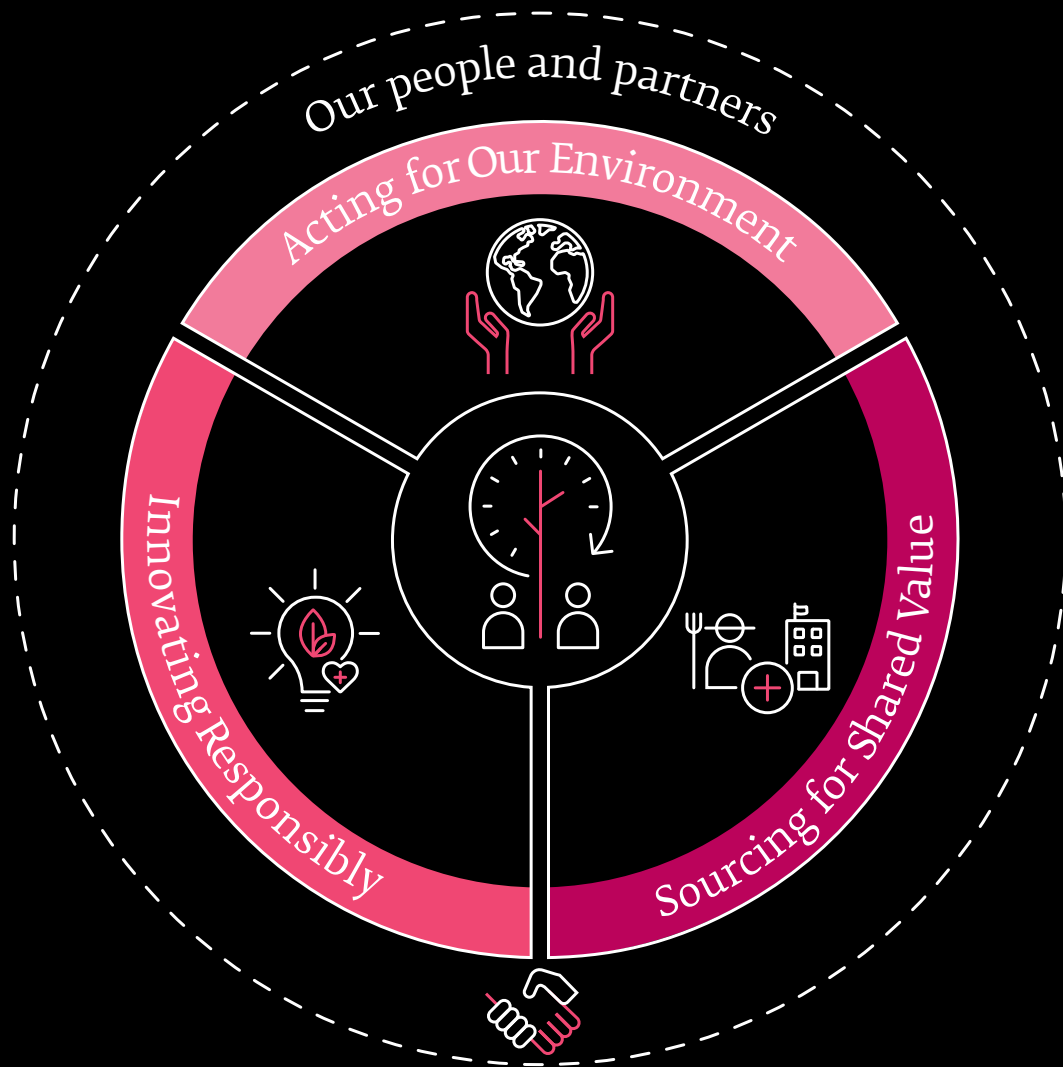


Willem Mutsaerts
Head of Global Procurement
and Sustainability

 Disclosure 102 – 14, pages 5 – 7

Our sustainability approach

A Sense of Tomorrow



Meeting needs today. Defining what's next.

In October 2017 Givaudan launched a new approach to sustainability called A Sense of Tomorrow.

The approach builds on a solid eight years of sustainability practice and strengthens our response to an ever-changing global picture, one in which we face increasingly complex environmental and societal challenges posed by climate change, resource scarcity and poverty.

Concern for the future of the planet, coupled with an increase in the means by which organisations can measure and report on the impact of their activities, is driving the demand for greater sustainability. Our customers and their consumers want products that they can be sure are sourced and manufactured in a way that respects people and the environment.

Sustainability is the natural and obvious path to a secure and long-term future. This is true for our business as well as our customers, society and the environment as a whole. That is why sustainability is a key contributor to our Company's 2020 strategy of "Responsible growth. Shared success."

Givaudan embarked on the road to sustainability in 2009 with a programme that extended across the full lifecycle of the business. We have achieved many important goals in the years since then and indeed that initial vision remains valid to this day.

But in a changing world we recognised it was time to increase our efforts. The demand for sustainability has created many new and exciting opportunities for our business. There is also a pressing need for good corporate leadership in sustainability, and action to safeguard the future of the planet. Society needs companies that put sustainability at the forefront of their vision and strategy.

The management of natural resources is a key example. Givaudan relies on a secure and sustainable source of more than 10,000 raw materials. As resources become increasingly scarce, the world can no longer take them for granted.

So with careful management of our activities and their impact we will be best placed to meet the needs of all those whose lives we touch, from customers to consumers and society as a whole. We will also be better able to anticipate those needs in the future and influence change.

This is the focus of A Sense of Tomorrow. The approach extends our vision to 2030 and beyond; sets new targets for sustainability performance; and focuses our efforts in three key areas: Sourcing for Shared Value, Innovating Responsibly and Acting for Our Environment.

A Sense of Tomorrow is founded on the United Nations' Sustainable Development Goals (SDGs), which set out the agreed priorities and aspirations for 2030 and call on businesses to apply their creativity and innovation to solve sustainable development challenges.


We have aligned our approach with those SDGs on which we can make the greatest impact. This will enable us to do our best in terms of the contribution we can make to the advancement of sustainable development, and to our lives and the future of the planet.

Sustainability governance

Sustainability is governed by the two main bodies:

The Sustainability Steering Committee (SteerCo) and the Sustainability Leadership Team (SLT).

- The SteerCo is a strategic body which supports the Executive Committee (EC) and SLT to meet Givaudan's sustainability goals and validate the sustainability strategy being proposed to the EC. The SteerCo meets at least twice a year and whenever necessary.
- The SLT is the operational body that supports the Head of Sustainability in driving the programme and its coordination. The SLT meets every six weeks (including the SteerCo meetings) and on an ad-hoc basis for specific purposes.

 Disclosure 102 – 18

Sourcing for Shared Value

Sourcing for Shared Value supports the following SDGs:



The growth in the world’s population and the consequent pressure on natural resources poses one of the greatest long-term challenges that humanity has ever faced. These trends are already creating a number of immediate risks to our business, such as the impact they have on local producer communities. Here the lack of secure employment and the effects of population movement away from the countryside to urban areas are felt keenly.

Our approach to sourcing seeks to turn these risks into opportunities. We are committed to sourcing raw materials in a way that respects people and the environment. But our strategy is also designed to bring stability to our supply chains and the local communities in which we operate; we do this by creating new value to be shared by all who are involved in sourcing our raw materials. We call this approach Sourcing for Shared Value and it is based on three practices: Responsible Sourcing, Sourcing at Origin and Communities at Source.

Responsible Sourcing

Our customers increasingly seek to understand the impact of their supply chains and request more data on the environmental and social aspects. We source more than 10,000 raw materials from all over the world and so managing supply chains at this scale is a complex task. But we are committed to working with our suppliers to achieve greater transparency in line with our Responsible Sourcing Policy. We drive compliance with the policy via our Responsible Sourcing Programme, working with suppliers to help them achieve high standards in health and safety as well as social, environmental and business integrity.

As part of that programme, in 2017 we set a target to make sure that 90% of our raw materials volume of natural origin is responsibly sourced by 2020. We consider a raw material to be responsibly sourced when its supply chain meets all the requirements of the Responsible Sourcing Policy; or, where gaps do exist, plans are in place to make improvements.

Also by 2020, we aim to see that our main direct suppliers are fully compliant with audits that cover the requirements of the Responsible Sourcing Policy.

Sourcing at Origin


Our practice of Sourcing at Origin is designed to safeguard the vulnerable sources of natural ingredients and to secure their supply in both quality and quantity for the long term. We achieve this by being present in the countries where we source and by partnering with local suppliers. We work closely with local producers, offering a reliable outlet for their raw materials and supporting the local industry with technical knowledge and training in good agricultural practices.

Sourcing at Origin enables us to create new value in our supply chains; it also gives us a clear view of their components, which enables us to make them more efficient. We can also tell our customers where our ingredients come from and how they have been produced. This enhanced transparency and traceability is a key benefit of our approach.

Communities at Source

We believe the communities in which we source contribute to our business. By being present in those communities, we are better able to understand their needs and the role we can play in improving their lives by supporting local health, education, environmental and agricultural projects.

Sourcing for Shared Value addresses the following material issues: biodiversity, deforestation, local community development, product environmental and societal impact, raw material availability, responsible sourcing and traceability.

 For more information see page 37

 Disclosure 102 – 15

Our targets:

- All audited suppliers are compliant by 2020.
- 90% of our raw materials volume of natural origin is responsibly sourced by 2020. We aim to address the remaining volume by 2030.

Innovating Responsibly

Innovating Responsibly supports the following SDGs:



Among the key trends guiding the focus of innovation at Givaudan is the growing market for health and wellness products; consumers themselves are increasingly aware of nutrition-related disease such as obesity and diabetes. In addition, climate change and resource depletion demand a proactive response. This has prompted the rise of 'brands with purpose', marketed on their social and environment-friendly credentials. Meanwhile, the flow of regulations is also increasing for the flavour and fragrance industry, for example the laws stemming from the Nagoya Protocol on "Access and Benefit Sharing", which promotes the sharing of benefits that arise from the use of natural resources.

Our goal is always to create novel sensory experiences that enable our customers to differentiate themselves in the market place. But we also want to make sustainability part of every breakthrough and add value by developing products that benefit society and the environment. This means finding more efficient methods of production, cutting waste and unwanted by-products and reducing the overall environmental impact. We call this Innovating Responsibly, an approach that is focused on the key topics of: Naturals, Health and well-being, and Sustainable processes.

Naturals

Naturalness is one of the most important drivers of demand in our market, as consumers look for products they can trust from recognised natural sources. Yet this increasing demand for natural ingredients has put additional pressure on the planet's resources. By investigating and developing alternative sources of key natural raw materials we are helping to protect fragile natural resources, while expanding our customers' access to natural ingredients and solutions.

Today our flavours innovation programme is focused on natural enabling technologies and new ingredients. We continued to develop our SunThesis® citrus ingredients collection, a range of natural oil replacers that help to relieve the strain on scarce citrus resources. While in our Fragrance Division we have several Citrus Coeur qualities, part of an exclusive Citrus Collection. Here we concentrate citrus molecules to yield intensely powerful notes and obtain a multiplier effect at low quantities. Also, in an industry first, we have developed new upcycling techniques to create fragrance notes such as Apple Oil from natural materials.

Health and well-being

We work with our customers to develop and maximise the growth of their brands. We provide novel sensory experiences and unique solutions that help them to meet the increasing demand for products that contribute to a healthy, active and balanced life.

By developing solutions for food and beverage products with less sugar, fat or salt, we enable people from all walks of life to make healthier food choices. We have also deepened our understanding of how odour can positively impact consumer health and well-being. Our research led to the development and launch in 2017 of a new fragrance technology called DreamScentz™. The system is designed to assist users in getting a good night's sleep, which is key to remaining healthy.

Sustainable processes

In creating the ingredients palette of the future we have to do all we can to limit the potential impact of our products on the environment. Therefore, we take a broad view of the development of sustainable processes, and look to the principles of green chemistry and the opportunities offered by biotransformation and the benefits of biodegradability.

We are constantly exploring new ways to make flavour compounds through fermentation and other natural processes; we also use sustainable plant materials and agricultural techniques. Biotransformation allows us to use natural ingredients as raw materials and harness the power of beneficial micro-organisms to produce natural flavours.

We take the same approach with fragrances and active ingredients. Our palette is created with the environment in mind. Modern biotechnology techniques enable us to produce existing molecules or create new captives. By following green chemistry principles we ensure ingredients are safe by design and that our manufacturing processes make efficient use of energy and materials, while reducing water consumption and waste.

Innovating Responsibly addresses the following material issues: access to food, consumer health and well-being and product environment and societal impact.



For more information see page 43



Disclosure 102 – 15

Acting for Our Environment

Acting for Our Environment supports the following SDGs:



Climate change affects everyone. Changing weather patterns, rising sea levels and more extreme weather events are disrupting national economies and affecting lives at great cost.

The more immediate consequences of climate change for business are likely to include volatility on the fossil fuel markets and in particular water shortage, a fact that increasing numbers of companies are waking up to. A failure to properly address water security poses a severe risk not just to the future of our business, but beyond the global ecosystem that underpins human prosperity and quality of life.

In 2016, the Paris Climate Agreement reiterated the need to keep the rise in global warming to below 2°C compared to preindustrial levels; it also called on companies to demonstrate leadership on climate actions. More recently, 15,000 scientists signed a 'letter to humanity' in which they warned that not enough has been done to combat global warming. They said that more could be achieved if the world acted as one to secure its future.

We are determined to play our part in leading our industry in acting to safeguard the environment. To that end we have committed to an ambitious climate action agenda across our own operations and those of our suppliers.

Our targets for reducing GHG emissions have been approved by the independent Science Based Targets initiative and are aligned with the global effort to keep a temperature increase below the 2°C threshold. Our commitment helps many of our key customers reach their own GHG reduction targets. From procuring 100% renewable energy to encouraging zero deforestation in our supply chains, we assess every aspect of our energy, water and waste management for opportunities to reduce our environmental impact.

Acting for Our Environment addresses the following material issues: climate change, local community development, product environmental and societal impact, product quality and safety, waste management and water stewardship.

Targets

| | |
|--|--|
| | <p>Greenhouse gas emissions Reduce absolute Scope 1 and 2 GHG emissions by 30% between 2015 and 2030 Additional goal to reduce Scope 3 GHG emissions by 20% over the same time period</p> |
| | <p>Renewable electricity 100% renewable electricity by 2025</p> |
| | <p>Total weight of incinerated and land-filled waste by type and disposal 4% reduction, per tonne of product, year on year on average (baseline 2015)</p> |
| | <p>Water 15% reduction, per tonne of product, by 2020 (use of municipal and groundwater; baseline 2009)</p> |

For more information see page 47

Disclosure 102 – 15

Valuing our people

Valuing our people supports the following SDGs:



In order to see our programmes and agenda through to success, and to sustain ourselves as a business, we aim to recruit people who are passionate about the work they do and want to contribute to a sustainable society.

Givaudan is a leading employer in our industry, with a global staff of more than 10,000. We reflect the societies and cultures in which we operate by providing opportunities for people of all backgrounds, gender and locations. We believe inclusivity adds strength and balance to our workforce.

The safety, health and wellness of our staff are a critical aspect of our approach to sustainability. Givaudan's Environment, Health and Safety commitment is to 'Get everyone home safe, everyday'. We engage our employees to actively contribute to this target through awareness campaigns and specific training programmes.

Givaudan recognises that talent management is key to meeting our business and sustainability goals. Our drive to develop and engage our talented professionals is reflected in a comprehensive approach. This includes our regional ONE Givaudan employee onboarding initiative; a set of customised management training programmes called Leadership Senses; a yearly performance cycle that embeds talent reviews and career discussions; and a culture of continuous learning, curiosity and discussion.



For more information see Annual Report pages 44 – 46



Disclosure 102 – 15

Supported initiatives and strategic memberships

Collaboration is key to advancing the global sustainability agenda. For this reason, since the launch of our sustainability programme, Givaudan has taken part in external initiatives and become a member of a number of global associations working towards a set of common goals.

External initiatives

United Nations Global Compact

We have endorsed and participated in a set of external global commitments and initiatives to promote sustainable business practices. First among these is the United Nations Global Compact (UNGC). The compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Givaudan has been a signatory to the UNGC since February 2010; we measure our progress towards sustainability against its principles. This report is our communication on progress (COP) towards implementing those principles and achieving our sustainability targets. In addition, Givaudan is also involved in the UNGC Swiss Network, through which we participate in conferences and share best practice with other members.



For more information:
www.unglobalcompact.org

CDP

We demonstrate our commitment to monitoring and reducing our greenhouse gas emissions and safeguarding water resources through CDP, formerly known as the Carbon Disclosure Project.

CDP is an international, non-profit making organisation that uses investor and buyer power to motivate companies and governments to disclose their impact on the environment and take meaningful steps to address climate change, deforestation and water security. CDP works with institutional investors with assets of USD 100 trillion; in 2017, more than 6,300 companies with 55% of the global market capitalisation disclosed environmental data through CDP. This is in addition to more than 500 cities and 100 states and regions that have also disclosed through the platform.



For more information:
www.cdp.net

We recognise there are tangible business benefits to disclosure and action, as this helps us to ensure long-term sustainability and profitability, and equips us to respond to regulatory and policy changes, such as the Paris Agreement.

It is our aim to communicate with our stakeholders as transparently as possible on strategic direction, motivation, goals, development and progress.

Our CDP disclosure is part of that effort. In our climate change and water submission we report annually on greenhouse gas emissions, energy use and the risks and opportunities associated with climate change.

Since we began participating in the CDP Climate Change programme in 2007, we have disclosed our greenhouse gas emissions every year as well as our reduction strategy and performance for both investor and supply chain surveys.

In 2017 we were awarded an A for climate action leadership, the third consecutive year that Givaudan has achieved the leadership level.

Our participation in the CDP Water programme also earned us a ranking of A-, which shows steady improvement on previous scores of B in 2016 and B- in 2015. Our Water Stewardship Programme to measure and reduce water usage is part of our Responsible Care Management System, which is signed and endorsed by the CEO.

The Global Reporting Initiative

We have used the Global Reporting Initiative (GRI) guidelines as the basis for our Sustainability Report since 2010. The GRI is the leading and most widely adopted global standard for sustainability reporting. The guidelines align with other prominent standards, including the OECD guidelines for multinational organisations; ISO 26000; the United Nations Guiding Principles on Business and Human Rights: Implementing the United Nations 'Protect, Respect and Remedy' Framework; the UNGC's Ten Principles and the United Nations' Sustainable Development Goals.

Givaudan decided to become an early adopter of the new GRI Standards, which will become mandatory for all reports published on or after 1 July 2018.

The use of the globally accepted GRI reporting guidelines allows for better comparability, greater transparency and accountability.



For more information:
www.globalreporting.org

Sedex (Supplier Ethical Data Exchange)

Sedex is a not-for-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains. Givaudan engages with Sedex both for the assessment of its production sites and for the assessment of its suppliers.

The registration of our production sites with Sedex is an ongoing process related to acquisitions and the opening of new production sites. To ensure high standards at these sites, we are committed to start the registration process soon after an acquisition has been announced or a new facility has been commissioned.

By the end of 2017, 36 out of 40 Givaudan production sites registered with Sedex had completed the Sedex

Self-Assessment Questionnaire (SAQ) to share information with customers. The same 36 sites have been audited against the Sedex Members Ethical Trade Audit (SMETA) and all are compliant.

Those not yet audited are recent acquisitions, for which there is a robust plan to achieve SMETA compliance. Givaudan has been an active user of the Sedex platform since 2008 and reviews and updates the SAQ every year.

Givaudan was involved in the development of SMETA 6.0, the latest version, which was launched in 2017 and is now used widely among our customers.

We fully support our suppliers' engagement with Sedex; today, 335 suppliers are on Sedex, with 303 SAQs completed; 201 suppliers have been audited and 65% are fully compliant.



For more information about our approach to supplier engagement see page 39, also www.sedexglobal.com

EcoVadis

EcoVadis aims at improving environmental and social practices of companies by leveraging the influence of global supply chains. EcoVadis' reliable ratings and easy-to-use monitoring tools allow companies to manage risks and drive eco-innovations in their global supply chains.

Givaudan completed the EcoVadis CSR assessment for the first time in 2008 and received the silver recognition level. In 2013, we received the gold recognition level, which was awarded again in 2015 and 2016. Our 2017 assessment achieved a gold level rating of 67/100 and positions us in the top 5% of suppliers in the chemical industry, who complete the EcoVadis assessment.



For more information:
www.ecovadis.com



Disclosure 102 – 12, pages 15 – 16

Membership of associations

We engage in a series of strategic collaborations with relevant organisations and partners to support and inform our work on the most material sustainability issues. Collaboration across our supply chain, as well as with other businesses and non-profit organisations, is important; the more we do together, the quicker we drive sustainable solutions. The organisations we have engaged with over the past year include:

AIM-PROGRESS

AIM-PROGRESS is an association of consumer goods companies seeking to enable and promote responsible sourcing practices and sustainable production systems.

We have been an active member of AIM-PROGRESS since 2012 and regularly attend conferences that focus on responsible sourcing practices. Through this membership we are enhancing our supplier and customer partnerships to help create a more responsible supply chain.

Our engagement with AIM-PROGRESS addresses the material issues of deforestation; diversity and inclusion; employee health, safety and wellness; governance and business conduct; human rights; responsible sourcing; traceability and transparency and reporting.



For more information:
www.aim-progress.com

Natural Resources Stewardship Circle

The Natural Resources Stewardship Circle (NRSC) is a group of leading industry organisations in beauty, flavours and fragrances taking collective action to reduce their impact on biodiversity, taking into account the social and economic development of local communities.

Givaudan is participating in several working groups with the objective of transforming practices in different supply chains for the better. In 2016 we led the NRSC working group on palm oil in partnership with The Forest Trust. By working with our suppliers we are developing an in-depth understanding of traceability and risk all along the complex palm oil supply chain. In 2017 we were invited to become a member of the new advisory group with a mandate to support the NRSC's executive team in implementing its mission.

Our engagement with the NRSC addresses the material issues of biodiversity; consumer health and well-being; deforestation; human rights; local community development; raw material availability; responsible sourcing; traceability and transparency and reporting.



For more information:
www.nrsc.fr

Roundtable on Sustainable Palm Oil

The Roundtable on Sustainable Palm Oil (RSPO) is an international, multi-stakeholder organisation and certification model to advance the production, procurement, finance and use of sustainable palm oil products.

Givaudan joined the RSPO in 2011 to promote the production and use of sustainable palm oil. We continue to support the aim of sustainable production of palm oil and palm oil derivatives. Our ultimate objective is to obtain all of our palm oil and palm oil derivatives from certified traceable sources once they become technically and commercially available.

Since 2012, 100% of the palm oil and palm kernel oil we source is covered by Green Palm Book and Claim certificates, unless already sourced with RSPO Mass Balance or Segregated certification. From 2017 the Book and Claim certificates provided by Green Palm are replaced by RSPO Credits provided through PalmTrace.

This supports our commitment to eliminate deforestation from our supply chain; to address key issues such as traceability and to create a positive difference for workers, farmers and local communities. Givaudan's annual communication on progress is available on the RSPO website.

Our engagement with RSPO addresses the material issues of access to food; biodiversity; consumer health and well-being; deforestation; economic performance; product environmental and societal impact; product quality and safety; responsible sourcing; traceability and transparency and reporting.



For more information:
www.rspo.org
www.rspo.org/members/882/Givaudan-SA

American Cleaning Institute

The American Cleaning Institute (ACI) is an association which aims to support the sustainability of the cleaning product and oleo chemical industries.

Givaudan has been an ACI member since 2012 and is a recognised member of the ACI sustainability programme in North America.

Our engagement with ACI addresses the material issues of climate change; and product quality and safety.



For more information:
www.cleaninginstitute.org

French Alliance for Sustainable Palm Oil

The French Alliance for Sustainable Palm Oil is an association of French companies that promotes the use of sustainable palm oil, which is produced without causing deforestation and with respect for the needs of local populations.

Our engagement with the French Alliance for Sustainable Palm Oil addresses the material issues of access to food; biodiversity; consumer health and well-being; deforestation; economic performance; product environmental and societal impact; product quality and safety; responsible sourcing; traceability; and transparency and reporting.



For more information:
www.stop-deforestation.org
www.huiledepalmedurable.org

World Business Council for Sustainable Development

The World Business Council for Sustainable Development (WBCSD) is a global, CEO-led organisation of over 200 leading businesses and partners working together to accelerate the transition to a sustainable world, by focusing on the maximum positive impact for shareholders, the environment and societies.

Givaudan joined the WBCSD at the end of 2016 with a desire to be part of a broader business network of likeminded companies.

We participate in the FReSH initiative (Food Reform for Sustainability and Health) and we are actively involved in the workstream B on food production.

In 2017 we participated in workshops to explore system thinking to better understand the dynamics in the food chain.

In the same year, we participated in the annual council meeting in Mexico City, which focused on how to integrate sustainable development goals with company operations. Following the meeting we are better placed to use the SDGs framework to inform our management approach.

Our engagement with the WBCSD addresses the material issues of access to food; biodiversity; consumer health and well-being; deforestation; diversity and inclusion; economic performance; employee health; safety and wellness; governance and business conduct; human rights; local community development; product environmental and societal impact; product quality and safety; responsible sourcing; traceability; transparency and reporting; waste management; water stewardship; and women's empowerment.



For more information:
www.wbcسد.org

The Forest Trust

Givaudan became a member of The Forest Trust in 2017. The global non-profit organisation is focused on transforming supply chains for the benefit of nature and people. TFT supports Givaudan in implementing its Responsible Sourcing Programme through supply chain assessments and, where needed, co-designing innovative solutions with supply chain partners that create value for all.

Our engagement with TFT addresses the material issues of product environmental and societal impact; raw material availability; responsible sourcing; and traceability.



For more information:
www.tft-earth.org



Disclosure 102 – 13, pages 17 – 18

Materiality and stakeholders

Givaudan worked with its key stakeholders to update the Company's materiality matrix in 2017. This chapter sets out the material issues that fully reflect the trends and challenges facing us today.

In this section:

| | |
|------------------------|----|
| Stakeholder engagement | 21 |
| Material issues | 23 |

6 key stakeholder groups

identified

22 material issues

determined and prioritised

26 GRI topics

mapped

9 SDGs

covered by Givaudan



Stakeholder engagement

Listening to our stakeholders is a core element of our sustainability management practice.

Identifying and selecting stakeholders

How we identify and select our stakeholders

When Givaudan set out to develop a materiality matrix in 2011, we carried out a wide-ranging assessment of our stakeholders to see who had the greatest impact on us and on whom we had the most effect. We identified six key stakeholder groups from a list of more than 200 organisations: these were customers, suppliers, investors, public and government agencies, local communities and employees.

Givaudan has developed specific tools to support interaction with the various stakeholder panels at both a global and local level. We also review and evaluate the diverse stakeholder engagement initiatives that exist across the Company and continuously monitor their relevance in a two-stage process.

First, we 'map' each direct engagement with an external organisation by considering its relevance to several areas: our stakeholder groups; the key issues in our materiality matrix; the three focus areas of our sustainability approach and to the Sustainable Development Goals on which we have an impact.

Then we look at every current or potential external engagement and assess it against several criteria: local or global engagement; membership criteria and membership fees; participating customers and suppliers; participating competitors; participant profiles; type of sessions; size of groups; impact on our sustainability approach; risks and benefits.

Based on the above we decide whether to pursue a current engagement or engage with new organisations; we then suggest actions to be taken within the engagement for the next three years.

 Disclosure 102 – 42

Stakeholder groups engaged by Givaudan

Listening to our stakeholders is a core element of our sustainability management practice. Their feedback helps us to understand expectations and it contributes to the setting of our overall sustainability strategy.

We gather the views of our stakeholders by inviting them to discuss the Company's critical issues and strategic priorities. We create dialogue groups to understand how our business affects stakeholders and to determine the most material impacts to be managed. The sustainability aspects listed in the Givaudan materiality matrix are presented to the stakeholders to allow them to confirm which they see as the most important topics, and which they would like to discuss or know more about.

The process gives stakeholders a genuine role in setting the direction of our sustainability approach and prioritising the issues in the matrix. Their points are fed back to the Sustainability Steering Committee (our main governance body for sustainability) and management committees to shape strategy and improve decision-making.

Ultimately, through stakeholder dialogue, we seek to identify opportunities to improve management and our relationships, as well as co-create projects for our mutual benefit. This allows us to focus our drive for greater sustainability in those areas that are most important to our key stakeholders.

Givaudan has many channels for stakeholder dialogue spread across different departments and teams; this also includes the information and feedback we receive during the ordinary course of business.

| Stakeholder group | Dialogue channels | Key topics and concerns raised |
|---------------------------------------|--|--|
| Customers | <ul style="list-style-type: none"> - On-going dialogue - Customer sustainability requests - SMETA audits - Customer innovation days - Conferences and events - At associations and advocacy organisations | <ul style="list-style-type: none"> - Product quality and safety - Consumer health and well-being - Product environmental and social impact - Human rights - Transparency and reporting - Traceability |
| Suppliers | <ul style="list-style-type: none"> - Assessments via Sedex registration - Issues raised at supplier audits - Collaborations to improve performance - Multi-stakeholder groups - Supplier events: capacity building, discussing issues - Direct engagement with supplier relationship managers | <ul style="list-style-type: none"> - Responsible sourcing - Raw material availability |
| Employees | <ul style="list-style-type: none"> - European Works Council consultations - Employee engagement initiatives - Annual performance dialogue - Talent management processes - Learning and development opportunities - Green Teams, engagements and on-going dialogue | <ul style="list-style-type: none"> - Employee health, safety and wellness - Diversity and inclusion - Talent management - Women's empowerment |
| Owners and investors | <ul style="list-style-type: none"> - AGM/half-year meeting - Annual investor road show - Briefings with analysts - Conferences with financial institutions | <ul style="list-style-type: none"> - Economic performance - Raw material availability - Talent management |
| Local communities | <ul style="list-style-type: none"> - Community development programme survey - Local site community engagement programme - Ongoing dialogue with local authorities and community organisations - Green Teams engaged on social activities within the community we operate - Givaudan Foundation - Local partners (NGOs or cooperatives) acting as Givaudan agents | <ul style="list-style-type: none"> - Employee health, safety and wellness - Consumer health and well-being - Product environmental and social impact - Human rights - Diversity and inclusion - Transparency and reporting |
| Public and regulatory agencies | <ul style="list-style-type: none"> - Commenting on emerging legislation/ regulation - Membership of working groups/forums - IFRA/IOFI consultation - UNGC consultation - CDP project workshop - Media | <ul style="list-style-type: none"> - Product quality and safety - Responsible sourcing - Product environmental and social impact - Employee health, safety and wellness - Transparency and reporting - Human rights |



Disclosure 102 – 40, 102 – 43, 102 – 44

Material issues

A critical part of our sustainability approach involves identifying and prioritising the issues of most material importance to Givaudan.

Defining report content and topic boundaries

Members of the Sustainability Leadership Team and the Sustainability Steering Committee, together with members of functions and divisions in all regions, monitor and evaluate emerging sustainability themes on an ongoing basis. We use the Givaudan materiality matrix to prioritise the aspects we understand to be of most concern to our customers and other key stakeholders.

The matrix is reviewed through discussion with key stakeholders (see page 22). We address the Company's critical issues and strategic priorities, look for opportunities to improve management and relationships, and identify possible projects to work on together.

 Disclosure 102 – 46

Significant changes from previous reporting periods

In 2017 we updated our materiality matrix, which now fully reflects the trends, business issues and challenges facing us today. We have identified 22 material aspects that are detailed in the following pages.


Changes due to acquisitions

The acquisition of Spicetec was completed in July 2016. Our eco-efficiency and social KPIs in this report therefore include manufacturing data for Spicetec for the full year of 2017.

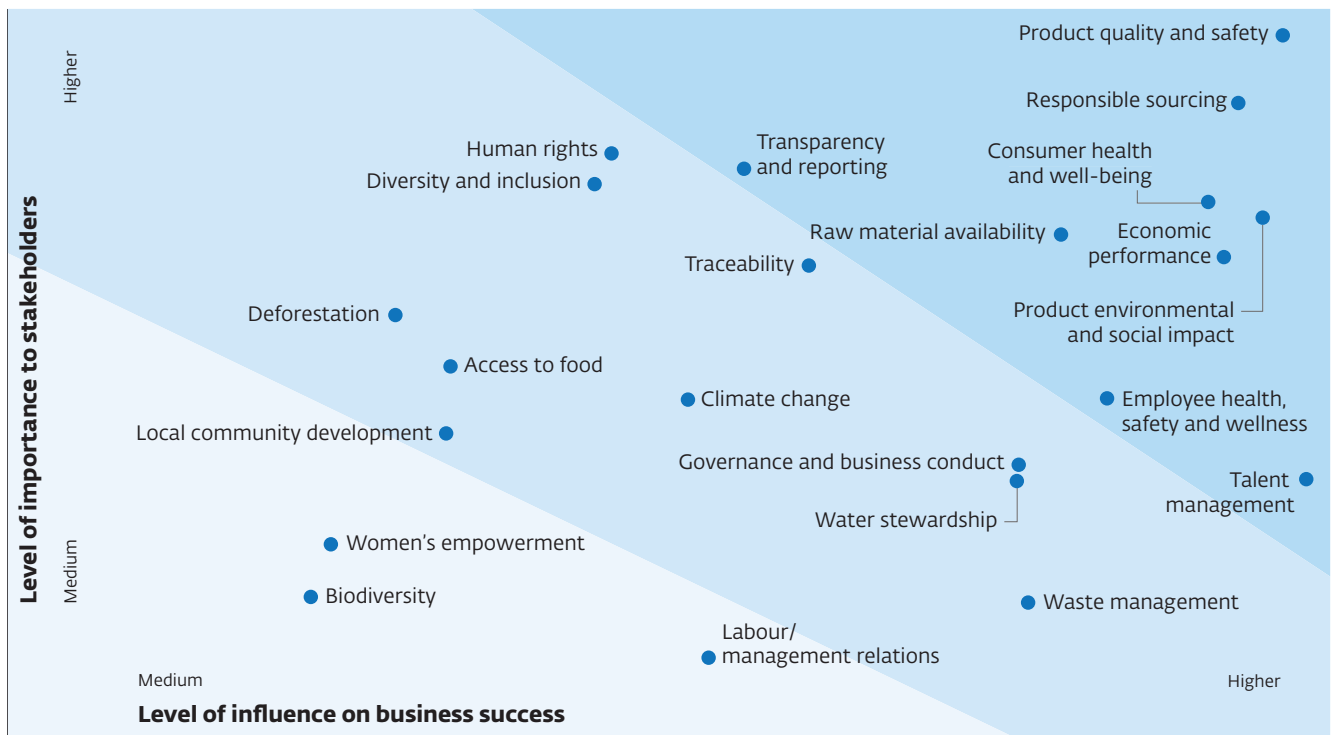
The acquisitions of Activ International and Vika B.V were completed during 2017. No Activ International and Vika B.V. manufacturing data are included in this report. This data will be integrated in our 2018 Sustainability Report.

As listed in the annexe of the 2017 Annual Report (pages 199-203), 41 Givaudan locations are taken into account for the environment, health and safety performance indicators. In scope for this report are 39 out of the 41 active production sites as stated in the Annual Report.

Sites acquired in 2016 are not in scope for the 2017 data. However, two main non-production sites are included in our 2017 data. We have included these sites (Argenteuil, France; Cincinnati, USA) since the first publication of our Sustainability Report in 2010 because of their size and importance.























 Disclosure 102 – 49


















Materiality matrix



List of material topics

Our list of material aspects is mapped against the new GRI Standard topics and the United Nations' Sustainable Development Goals (SDGs) to show that they are fully consistent with the most commonly used sustainability frameworks. The list of all material aspects identified in this process is as follows:

| Materiality topic | Equivalent GRI topic | SDGs mapping |
|---|---|---|
| Access to food | 103: Management Approach |  |
| Biodiversity | 304: Biodiversity |   |
| Climate change | 102 – 11: Precautionary principle 201: Economic performance 302: Energy 305: Emissions |   |
| Consumer health & well-being | 416: Customer health and safety |   |
| Deforestation | 204: Procurement practices 301: Materials 308: Supplier environmental assessment |    |
| Diversity & inclusion | 405: Diversity and equal opportunity 406: Non-discrimination |   |
| Economic performance | 201: Economic performance |   |
| Employee health, safety and wellness | 403: Occupational health and safety |   |
| Governance and business conduct | 102 – 16: Values, principles, standards, norms of behaviour 102 – 18: Governance structure | |
| Human rights | 102 – 41: Collective bargaining agreements 406: Non-discrimination 407: Freedom of association and collective bargaining 408: Child labour 409: Forced or compulsory labour 412: Human rights assessment 414: Supplier social assessment |    |
| Labour/ management relations | 102 – 41: Collective bargaining agreements 402: Labour/management relations 414: Supplier social assessment |  |
| Local community development | 413: Local communities 203: Indirect economic impacts |   |

| Materiality topic | Equivalent GRI topic | SDGs mapping |
|--|---|---|
| Product environmental and societal impact | 301: Materials 302: Energy 305: Emissions |   |
| Product quality and safety | 416: Customer health and safety 417: Marketing and labelling |    |
| Raw material availability | 301: Materials |  |
| Responsible sourcing | 204: Procurement practices 205: Anti-corruption 308: Supplier environmental assessment 414: Supplier social assessment |   |
| Talent management | 401: Employment 404: Training and education 405: Diversity and equal opportunity |   |
| Traceability | 204: Procurement practices |  |
| Transparency and reporting | 102 – 54: Claims of reporting in accordance with the GRI Standards 102 – 55: GRI Content Index 102 – 56: External assurance |  |
| Waste management | 306: Effluents and waste |  |
| Water stewardship | 303: Water 306: Effluents and waste 308: Supplier environmental assessment |   |
| Women's empowerment | 202: Market presence 405: Diversity and equal opportunity 406: Non-discrimination |   |


Access to food

Definition

Providing our customers with flavour solutions enabling them to address global food challenges.

Why is the issue material?

The global food system is under increasing pressure to meet the needs of the world's population, especially those in the poorer regions. As a key player in the food chain, Givaudan has the opportunity to help improve access to food and encourage healthy diets. We can also help combat malnutrition and related problems such as obesity and diabetes.

 103: Management Approach

Boundaries

Within Givaudan

We address this opportunity by constantly innovating and developing tasty flavour solutions that our customers can use to create healthy and appealing consumer food products.

Outside Givaudan

Our flavour solutions enable our customers to offer great tasting food products to consumers. For example, our new generation of plant protein products taste delicious and can be adopted as part of a healthier diet at an affordable price. By working with regional players we are able to deliver flavour solutions in different cultures and thus help consumers of all socio-demographic backgrounds to meet their basic dietary needs.

Biodiversity

Definition

Contributing to the preservation of biodiversity along Givaudan's value chain.

Why is the issue material?

Our business relies on a supply of diverse natural resources for the creation of our flavour and fragrance products. However, climate change and the loss of habitats pose a threat to the biodiversity that underpins the sources of those natural materials. For that reason it is essential for the long-term future of our Company that we assist in the effort to preserve biodiversity.

Boundaries

Within Givaudan

We abide by global rules and policies on biodiversity protection.

Outside Givaudan

We help to reduce the pressure on natural resources by securing alternative sources of key natural raw materials.

Climate change

Definition

Mitigating effects on climate change along Givaudan's value chain by reducing emissions and adapting our capabilities.

Why is the issue material?

Climate change has a direct impact on the availability of our key natural resources because it alters ecosystems and disrupts food production and water supplies. As such, climate change poses a significant risk for Givaudan, but it also presents an opportunity to adapt our processes and act to mitigate its effects.

Boundaries

Within Givaudan

We work to improve the eco-efficiency of our manufacturing sites, with a focus on reducing greenhouse gas emissions. We constantly assess the risk posed by climate change and adapt our production sites in the affected areas.

Outside Givaudan

We involve our supply chain, from the raw material suppliers to indirect materials and service providers, in an effort to reduce their GHG emissions.

Consumer health and well-being

Definition

Developing products and services that promote the health and well-being of people as they experience our ingredients in everyday consumer products.

Why is the issue material?

As a key player in the food chain we are in a position to influence the well-being of society. For example, by developing great tasting flavour solutions for foods with lower levels of sugar, fat and salt we can encourage the uptake of healthier diets.

In addition, fragrance contributes to the sense of well-being and can be used around the world to drive consumers to choose products with desired health benefits.

Boundaries

Within and outside Givaudan

We create great tastes and smells to evoke a sense of well-being and encourage consumers to choose healthier foods and adopt good hygiene practices.

Deforestation

Definition

Identifying raw materials linked to deforestation and collaborating with suppliers and other key partners to avoid deforestation along Givaudan's supply chain.

Why is the issue material?

The growth in commodity production is the main driver of deforestation today. Deforestation contributes to climate change; it also destroys the eco-systems and biodiversity that underpin the sources of natural ingredients that we buy for our flavour and fragrance products.

Boundaries

Outside Givaudan

We map our supply chains for deforestation, and where necessary engage suppliers in activities to end it.

Diversity & inclusion

Definition

Having a balanced workforce which reflects the societies in which Givaudan operates, including efforts to eliminate all discrimination and to ensure the opportunity for people from all backgrounds to succeed.

Why is the issue material?

Givaudan operates in many different countries around the world, and in order to be effective, we need to understand the cultural differences that we encompass. Sensitivity to diversity and promoting inclusion is key to developing a broad range of views within the Company. We believe equal opportunities for everyone is important to our success.

Boundaries

Within Givaudan

We embrace diversity throughout our organisation and recruit to build a representative and inclusive workforce.

Economic performance

Definition

Operating a profitable business model for the long-term viability of the Company.

Why is the issue material?

Our 2020 strategy of “Responsible growth. Shared success.” focuses on economic performance, which is the short- to long-term measure of Givaudan’s success. The strategy also views economic success as inseparable from high standards in environmental and social stewardship.

Boundaries

Within Givaudan

We ensure that our business is financially sustainable from the short to the long-term.

Outside Givaudan

We support our customers’ own market expansion plans and provide them with growth opportunities through the use of our products. Meanwhile, we work in partnership with producers and suppliers to transform the way we source; to secure supply and create new value to be shared by all stakeholders in our supply chains.

Employee health, safety and wellness

Definition

Providing a safe and healthy working environment and encouraging responsible employee behaviours.

Why is the issue material?

Givaudan’s on-going success depends on the health and safety of our employees and our efforts to always improve their well-being in and outside the workplace.

Boundaries

Within Givaudan

We reduce the number of health and safety incidents by improving the workplace environment, safety behaviour and awareness.

Governance and business conduct

Definition

Ensuring business practices are in alignment with international standards, local laws and Givaudan standards in countries of operation. Safeguarding the effective functioning of the governing bodies of Givaudan.

Why is the issue material?

Corporate governance systems ensure that our Company is managed in the interests of shareholders (including minority shareholders), while complying with international laws.

Boundaries

Within Givaudan

We ensure our practices are aligned with international standards and we safeguard the function of our own governing bodies. Our management systems include checks and balances to control risk and to oversee accountability of management.

Human rights

Definition

Ensuring that Givaudan respects human rights by acting with due diligence, as defined in the UN Guiding Principles for Business and Human Rights.

Why is the issue material?

Respect for human rights is an essential guide to the right way to do business. A commitment to high ethical standards, as well as transparency and honesty in our dealings with customers, suppliers, employees and the communities where we operate, enables us to grow responsibly and share our success.

Boundaries

Within Givaudan

We ensure that we respect human rights by acting with due diligence, as defined in the UN Guiding Principles for Business and Human Rights.

Outside Givaudan

We ensure our suppliers adhere to the same principles.

Labour/management relations

Definition

Fostering collaborative labour relations with employees and employee elected representatives.

Why is the issue material?

Good relations between management and staff are necessary to the operation of a sustainable and viable business. Staff should be respected, listened to and provided with adequate working conditions.

Boundaries

Within Givaudan

We encourage good labour and management relations and follow commonly recognised best practices.

Local community development

Definition

Recognising and supporting the broader development goals of local communities where Givaudan operates in and sources from.

Why is the issue material?

Maintaining a good reputation in communities where we have a manufacturing or commercial presence helps to attract the right talent and personnel to join the Company.

In areas where we source raw materials, we can help to secure the long-term supply of those ingredients by supporting the development of local communities. By fostering good relations we can work together on causes that benefit the community; help to protect local ecosystems; and support livelihoods. Sourcing is one of the most significant areas of interest for our stakeholders, especially our customers.

Boundaries

Outside Givaudan

We work with local communities on projects and causes that benefit them.

Product environmental and societal impact

Definition

Optimising the impact of our products within our whole supply chain, in the way they are designed, manufactured and ultimately used by the consumer, both in terms of environmental impact and ability to positively affect societal issues.

Why is the issue material?

We want to make a positive impact on the environment and society. This is a central concern for our customers and their consumers and it is key to improving our own performance. But we must also anticipate and influence change. Givaudan has the ambition and ability to shape the future of the flavour and fragrance industry. We can design tastes and smells that encourage positive behaviour. Our approach to Innovating Responsibly considers the potential impact of our processes and products on the environment and also where we can have a positive impact on society.

Boundaries

Within Givaudan

We develop new technologies and processes to limit the environmental impact of our products and encourage positive consumer behaviour.

Outside Givaudan

We engage with customers to develop new products and technologies that are healthier and more sustainable.

Product quality and safety

Definition

Ensure our products are safe and comply with all applicable laws, regulations as well as customer requirements.

Why is the issue material?

The safety of our products and the safety of the consumer are of the utmost importance. We have to provide our customers with products and services that meet all agreed requirements and applicable legislation, or we run the risk of extra costs and damaging our reputation.

The quality of our products is the key to our success and that of our customers. We place their need for quality at the heart of everything we do.

Boundaries

Within and outside Givaudan

We ensure our products are safe for people and the environment when used as intended and that they comply with all local laws as a minimum requirement. We gather information on the origin of ingredients to support compliance and to contribute to food safety and issue management.

Raw material availability

Definition

Ensuring a stable supply of raw materials used in Givaudan's products.

Why is the issue material?

In order to operate a successful business we need to ensure continuity of supply. However, each raw material we purchase has a potential supply risk that we need to understand and mitigate. This is a key activity of our procurement department.

Boundaries

Outside Givaudan

Our procurement teams work closely with suppliers to monitor supply risks and ensure continuity of supply. We build relationships with local producers around the world and work in partnership to secure the long-term future of the crops and natural raw materials on which we depend.

Responsible sourcing

Definition

Fostering compliance with high standards in health, safety, social, environmental and business integrity in the way we source.

Why is the issue material?

By expanding our responsible sourcing initiatives we are able to reduce our environmental and social impact. Our sourcing strategy also helps to mitigate the risks inherent in our complex supply chains.

Boundaries

Outside Givaudan

We work with our suppliers to make sure they have plans in place to meet our sourcing standards.

Talent management

Definition

Effectively recruiting, developing, engaging, deploying and retaining a balanced workforce that meets future business imperatives.

Why is the issue material?

We focus on employee development to improve skills and productivity; to constantly adapt skills to requirements and to offer the best opportunities to our people. This helps to improve retention of staff, reduce costs and increase our revenue. It also makes Givaudan a great place to work.

Boundaries

Within Givaudan

There is an engaging and inspiring environment for employees to realise their career aspirations. We foster proactive talent development, offer targeted technical and functional support and work to strengthen our leadership capabilities. In addition, we underpin the growth of a strong workforce by nurturing a pipeline of industry experts and future leaders to develop skills for sustained success; similarly we seek to attract local talent and industry experts to support growth in all markets.

Traceability

Definition

Understanding the supply chain and tracing the provenance of raw materials we use from their origin to the final formulation.

Why is the issue material?

Our customers increasingly seek assurances on the provenance of raw materials and their production; also that we adhere to responsible supply chain practices.

Boundaries

Outside Givaudan

We work with our direct suppliers to map our supply chains. Mapping helps us to understand how a supply chain is organised and to collect data on the number of intermediary suppliers involved, their role, importance and geographical location. In this way we are able to identify any potential risk of non-compliance with our Responsible Sourcing Policy and to work with our suppliers on a solution.

Transparency and reporting

Definition

Disclosing an adequate level of information and data in alignment with recognised frameworks and in compliance with local laws and regulations.

Why is the issue material?

Transparency is expected in all areas of our business, from supply chain data to R&D information, formulas and business processes. Increased transparency has a positive impact on our reputation, which boosts loyalty among customers and employees, and therefore our bottom line.

Boundaries

Within and outside Givaudan

We have to be open to sharing data and information, internally and externally.

Waste management

Definition

Pursuing a culture of waste elimination by adequately managing all Givaudan's waste streams.

Why is the issue material?

Waste management helps to limit our negative impact on the environment, and to reduce waste production cuts costs.

Boundaries

Within and outside Givaudan

We work to reduce waste through recycling and reuse; or ensure that it is recovered and/or disposed of in an environmentally sustainable way.

Water stewardship

Definition

Optimising the use of intake water and ensuring the quality of discharged water. Assessing and addressing water risks at owned operations and in our supply chain.

Why is the issue material?

Water is essential in our manufacturing activities as well as in our value chain. But there is increasing competition for access to water in areas where availability is limited due to climate change. Therefore we need to use water efficiently in order to keep our operations running; and consumers are seeking products that are manufactured in a water-efficient way.

Boundaries

Within and outside Givaudan

We make efficient use of this increasingly precious natural resource and limit the environmental impact of the way we consume and discharge water.

Women's empowerment

Definition

Implementing policies and programmes that are consistent with promoting equal opportunities for all.


Why is the issue material?

Equal treatment of women and men is not just the right thing to do – it is also good for business. The full participation of women at Givaudan makes sound business sense now and in the future. A broad concept of sustainability and corporate responsibility that embraces women's empowerment as a key goal will benefit us all. Women's empowerment is essential to expand economic growth and promote social development.

Boundaries

Within Givaudan

We implement policies and programmes that are consistent with promoting equal opportunities for all.

 Management Approach 103 – 1 for all material topics, pages 27 – 33

Sustainable performance review

In this chapter we report on the progress of our new approach to sustainability, focusing on the three key areas of Sourcing for Shared Value, Innovating Responsibly and Acting for Our Environment.

In this section:

| | |
|----------------------------|-----------|
| Sourcing for Shared Value | 37 |
| Innovating Responsibly | 43 |
| Acting for Our Environment | 47 |

Thousands of raw material producers

supported by our Communities at Source projects

Innovating Responsibly

to add value that benefits society and the environment

57.8% renewable energy

sourced

-8.1% CO₂ emissions

Scope 1 and 2 from 2015 to 2017

-9% waste

generated per tonne of product from 2015 to 2017
(incinerated and landfilled waste)

-19.4% water

used per tonne of product from 2009 to 2017



Sourcing for Shared Value



Givaudan is committed to ensuring that all of our raw materials are produced in a way that respects people and the environment. We work in partnership with local producers and suppliers to transform the way we source and create new value to be shared by all.

Our principles and what we expect from our suppliers

When consumers are inspired by a flavour or a fragrance, they increasingly want to know the origin of its ingredients and how it has been produced. To help our customers answer these questions, we seek to ensure our materials are responsibly sourced; that the impact of their production on the environment is minimised and that local producers and their communities truly benefit from supplying our industry. We call this Sourcing for Shared Value, an approach that rests on three distinct areas of sourcing practice: Responsible Sourcing, Sourcing at Origin and supporting Communities at Source.

Sourcing for Shared Value enables us to create new value for all of those involved in the supply of our raw materials and services, from the farmer to our customers.

Givaudan's approach to sourcing springs from a principled commitment to deal ethically and respect human rights wherever we have influence and do business. We naturally expect the same of our suppliers and seek to work with those who have strong business ethics and demonstrate respect for people and the environment.

Our principles stem from those encapsulated in the United Nations Global Compact, to which Givaudan has been a signatory since 2010. The compact is a strategic policy initiative for businesses that wish to align their activities with universally accepted standards in the areas of human rights, environment and anti-corruption.

The UNGC principles include the "elimination of all forms of forced and compulsory labour" and the "effective abolition of child labour". Under principles 1–6, we expect our suppliers to respect human rights standards and in particular we ask them to abide by all laws relating to the abolition of child labour and human trafficking. In addition, under our own Principles of Conduct, Givaudan will not employ children or do business with any suppliers that use child labour.

As per principles 7–9 of the UNGC, Givaudan also expects its suppliers to support a precautionary approach to environmental challenges; to take initiatives that promote greater environmental responsibility; and to encourage the development and implementation of environmentally friendly technologies.

We are also committed to the Ethical Trade Initiative Base Code and audit supplier practices regarding child labour. These state that there shall be no new recruitment of child labour; companies shall develop or participate in and contribute to policies and programmes that provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; children and young persons under 18 shall not be employed at night or in hazardous conditions; these policies and procedures shall conform to the provisions of the relevant International Labour Organization (ILO) standards.

 www.ethicaltrade.org/eti-base-code

Furthermore, as a member of the AIM-PROGRESS organisation, we follow the recommendations on how to address human rights issues. Givaudan is also a member of the Natural Resources Stewardship Circle, which is strongly involved in defending human rights and labour standards, particularly in remote local communities.

Finally, Givaudan complies with the California Senate Bill 657, the California Transparency in Supply Chains Act, which requires retail and manufacturing companies to disclose the precautions they have taken or will take to eliminate slavery and human trafficking from their supply chains. In this context, Givaudan acknowledges its obligations under the UK Modern Slavery Act and will publish a corresponding statement on its website in due course.

Proportion of spending on local suppliers at significant locations of operation

It is the Company's common practice to prefer sourcing from locally based suppliers (defined as suppliers who are based in the same country as the Givaudan 'facility'). This is reflected in the 85% by value of non-raw material purchased locally in 2017. For raw materials, 26% by value were sourced locally in 2017. Several of the raw materials we buy cannot be sourced in countries other than the ones where it naturally grows.

GRI Disclosure 204 – 1

Our sourcing practices

Sourcing for Shared Value consists of three sourcing practices: Responsible Sourcing, Sourcing at Origin and Communities at Source, all of which we continued to develop and expand in 2017.

Following the launch of our Responsible Sourcing Policy in 2016 and its implementation through our Responsible Sourcing Programme, we evaluate our supply chains and drive compliance with our standards in health and safety, social, environment and business integrity. Through our Sourcing at Origin initiatives we improve the long-term supply security of strategic natural ingredients and create new value within the local supply chains. Meanwhile, we believe that communities from whom we source make a contribution to our business. So we support them with a range of social and environmental conservation projects that help to bring stability and improve the quality of life.

Responsible Sourcing Programme

From principles to policy and programmes

Givaudan published its Responsible Sourcing Policy in 2016. The policy was the first of its kind in the flavour and fragrance industry; its general principles are in accordance with those outlined above and they state the following: raw materials must be traceable back to their source; our activities should not contribute to deforestation; production, packaging and transport must comply with legal requirements; smallholders must be included and continuous improvement should always be our goal.

The policy also sets out what Givaudan expects of its suppliers in standards of health and safety; social and environmental responsibility and business integrity. The standards and

requirements apply to everyone in our supply chains, from first-tier suppliers to primary producers of raw materials; workers and employees; and intermediary suppliers and service providers.

Under the policy, suppliers are required to keep their workplaces safe and healthy. Accommodation must be safe and hygienic with clean drinking water and adequate sanitation provided. Emergency exits, appropriate safety equipment and training must be available as well as access to medical care. There must also be procedures to ensure applicable requirements are identified, kept up to date and communicated to employees.

With regard to employment and labour, Givaudan and its suppliers are required to respect the human rights of all the people with whom we come into contact. Employment should be freely entered into; suppliers must not use child labour or any form of forced or bonded labour. Workers are to be treated equally and with respect; paid fair wages; allowed freedom of association and have access to grievance procedures. In addition, those suppliers who are part of a raw material supply chain must respect the land rights of local communities and producers. The policy also states that there must be fair and transparent benefit sharing.

Furthermore, the Responsible Sourcing Policy sets our clear environmental requirements. Manufacturing sites must apply environmental management principles; the policy calls for conservation of environmental values at raw material source, and the use of best agricultural and processing techniques.

Finally, our suppliers are expected to maintain the highest degree of business integrity. They must abide by the local laws and international standards and conventions on bribery, gifts, entertainment and hospitality, money laundering, fraud, fair competition, confidential information and reporting.

The implementation of such a comprehensive policy across a global network of suppliers amounts to an enormous task. Nevertheless, we view the policy as an opportunity to drive transformation in the supply chain. Our approach is to work hand-in-hand with the suppliers to help them achieve compliance with the requirements. This is the purpose of Givaudan's Responsible Sourcing Programme: to implement the policy while encouraging supplier leadership and fostering supply chain innovation.

How we drive transformation

As already mentioned, Givaudan believes the journey towards responsible sourcing will be a process of continuous improvement, in which we work in partnership with our suppliers. In 2017, in an effort to drive that process forward, Givaudan announced a set of ambitious targets for our Responsible Sourcing Programme.

It is our aim that by 2020 all of our main direct suppliers should reach full compliance with their audits; and that 90% of raw materials volume, of a natural origin, is responsibly sourced.

Our supply chains comprise thousands of people and businesses in many different parts of the world. The Responsible Sourcing Programme divides the task of implementing the policy into a two-pronged approach: one addresses the main direct suppliers, to audit their sites against a protocol that covers the details of the policy; the other focuses on our raw material supply chains of natural origin. In both cases we take a collaborative approach to develop a shared sense of responsibility for making improvements.

Supplier Engagement

The first step is to engage suppliers by introducing them to the Responsible Sourcing Policy. So far, 13,015 of our indirect materials and services (IM&S) suppliers have received the policy. They represent 96% of our total spend for 2017. Those who acknowledged receipt of the policy represent 52% of that total spend. In addition to our IM&S suppliers, there are 442 raw materials suppliers who have received the policy. They represent 63% of the total 2017 spend; the acknowledgments represent 50% of total spend.

Main direct suppliers

Our target is to ensure that all our main direct suppliers are fully compliant with our Responsible Sourcing Policy by 2020. We work with them to ensure their sites are audited against a protocol that covers the policy requirements. This is done via the Sedex platform, SMETA, or an equivalent protocol.

Our Procurement team works closely with suppliers to guide them through their audit process and make sure that non-conformities are closed as soon as possible. Only at this point do we consider an audit to be compliant.

An important benefit of these audits is that they are included in the mutual recognition agreement between AIM-PROGRESS members. This reduces audit fatigue for suppliers by encouraging them to share their audit reports with many customers to avoid duplicate audits.

By the end of 2017, we had made good progress towards our goals, as the following set of indicators show. In total, 310 key raw material suppliers are now registered with Sedex. These suppliers represent over 70% of our raw materials spend. In 2014, we started to include our indirect materials and services suppliers in the Sedex initiative. To date, 25 such suppliers have joined Sedex.

Percentage of new suppliers screened using social criteria

We encourage our main suppliers to register with Sedex, a data-sharing platform to improve supply chain practices.

- Total number of significant suppliers identified: 400
 - Total number of suppliers assessed to date: 303
 - Total number of suppliers assessed in 2017: 5
 - Percentage of suppliers assessed to date: 76%
 - Percentage of suppliers assessed in 2017: 1%
-

GRI Disclosure 308 – 1, 414 – 1

Suppliers with significant social risks and preventive measures

Child labour or young workers exposed to hazardous work can be an issue across the entire supply chain covering our own operations and our suppliers, and 100% of our operations are assessed for risk in this area.

Since 2008, Givaudan has been an active user of the Sedex platform which incorporates human rights risks in its assessments. Since 2010, all Givaudan manufacturing sites have been registered on Sedex and completed Sedex self-assessment questionnaires (SAQ) to share information with customers. Givaudan annually reviews and updates the SAQ. To date, 36 Givaudan sites have been audited according to SMETA standards.

Significant suppliers are assessed for risk, and in 2017 a total of 3 key raw material suppliers, out of 310, were registered with Sedex. These suppliers represent over 0.3% of our spend. Also during the year, we worked to ensure that the audited suppliers had closed all open non-conformities. At the end of 2017, our compliance rate was of 65%.

GRI Disclosure 407 – 1, 408 – 1, 409 – 1

We have also made good progress towards our supplier audits target. The total number of our direct suppliers audited was 201 at the end of the year. Also in 2017, we worked to ensure that the audited suppliers had closed all open non-conformities, to achieve a compliance rate with our Responsible Sourcing Policy of 65%.

Assessing end-to-end supply chains for raw materials of natural origin

When it comes to key raw materials of natural origin, Givaudan goes further to create transparency by collecting information on intermediary suppliers right back to the farmers and local producers. In 'mapping' each supply chain we gather data on the number of intermediary suppliers, their role, importance and geographical location. The analysis also enables us to identify potential risks of non-compliance, and if confirmed we work with the supplier to find a solution. If necessary, we will carry out field visits and pursue deeper engagement through collaborative action plans and support transformational activities as a second step.

We consider a raw material of natural origin to be responsibly sourced when there are no gaps in the evaluation of its supply chain against the Responsible Sourcing Policy. Or, where gaps have been identified, appropriate improvement plans are in place.

Our target is to ensure that 90% of raw materials volume of natural origin is responsibly sourced by 2020. We have started the assessment and carried out our first field visits. This work will be expanded in the coming years to reach the 90% target. We aim to have addressed the remaining 10% of natural supply chains by 2030.

In support of our responsible sourcing activities, Givaudan became a member in 2017 of The Forest Trust (TFT), a global non-profit organisation focused on transforming supply chains for the benefit of nature and people. TFT will support Givaudan in implementing its Responsible Sourcing Programme through supply chain assessments and, where needed, co-designing innovative solutions with supply chain partners that create value for all.

GRI Management Approach (103 – 2, 103 – 3): Topic 308, 407, 408, 409, 414, pages 37 – 40

Sourcing at Origin

To secure supply and create value locally

The practice of Sourcing at Origin involves working in partnership with producers and local suppliers to secure the long-term supply of vulnerable natural ingredients. By providing knowledge and the latest technical solutions, the practice also enables producers to develop new value in their crops and to strengthen their economic fabric for the future. A dedicated team within our Procurement function is responsible for implementing and managing our Sourcing at Origin initiatives.

The team is based mostly in countries where we source critical natural raw materials, working hand-in-hand with smallholder producers and suppliers to set up innovative upstream sourcing models.

We source directly from producers through collection networks and exclusive farming partnerships and build processing capabilities at origin. Sourcing at Origin can also be done in partnership with our suppliers.

We operate many different sourcing initiatives around the world. For example, since 2014, our patchouli oil collection network in Indonesia has allowed us to develop a close

Success story

Geranium, Egypt

Givaudan has formed a partnership with Fridal, a supplier of geranium oil in Egypt, to develop a high-quality and long-term source of this important fragrance ingredient. Fridal has invested in a large-scale plantation in an oasis region in the Western Desert of Egypt, which enables us to control quality and ensure a consistent supply. The plantation is the product of a partnership with local experts of Fridal.

Thanks to investments in modern equipment and renewable energy technology, the wells and pumps at the site are run on solar power. Detailed monitoring to limit water consumption is also carried out. As well as being a Sourcing at Origin project, geranium oil also comes under the scope of our Responsible Sourcing Programme.



sourcing relationship with local producers. We have a similarly strong local presence in Madagascar where, since 2015, we have been collecting clove leaf oil directly from hundreds of smallholder producers. In 2016 we opened the NATEMA transformation facility on the island, a joint venture with our long-term local partner Henri Fraise & Fils.

Communities at Source

Supporting those who produce our natural ingredients


Producers of natural raw materials on which we rely make an important contribution to our business. In return, we are committed to support them to build stable and secure lives.


We have supported local producer communities for more than a decade through a variety of social and environmental projects. Depending on the challenges identified for a particular supply chain, targeted action plans are developed in cooperation with the producers, suppliers and/or other organisations such as NGOs. We support projects in education, health and nutrition as well as good practice in agriculture and production. We also assist producing communities to safeguard their environment and natural resources.

Throughout 2017 we have continued to extend our efforts in the areas of natural resources preservation and fair trade certification.

Our Communities at Source projects touch thousands of raw material producers worldwide and we continue to develop new initiatives in different supply chains. There are many examples, such as the partnership we formed in 2012 with a farmer cooperative and distiller of organic fair-trade vetiver oil on Haiti; a biodiversity project with Conservation International involving tonka bean harvesters in Venezuela, which has been running since 2008; a rural development programme launched in 2010 for vanilla farmers in Madagascar; also in 2010, a project with ylang ylang producers to protect the natural environment in Mohéli, Comoros; and a cooperative and research partnership to preserve lavender and lavandin in France, which began in 2012.

Our commitment is also demonstrated through the activities of the Givaudan Foundation. The Foundation is a not-for-profit organisation that funds projects to help build more secure futures for communities and their environments. Many of our Communities at Source projects are supported by the Foundation.

 For more information: www.givaudan-foundation.org

 Management Approach (103 – 2, 103 – 3): Topic 203, pp. 40 – 41, Topic 204, pp. 37 – 41; Disclosure 203 – 1, pp. 40 – 41

Success story

Ylang ylang, Comoros

Through a similar natural resources preservation project on the island on Mohéli in the Comoros, funded by the Givaudan Foundation, we are supporting producers of ylang ylang oil. Working with the international NGO Initiative Développement (ID) we are installing improved and energy efficient distillation units for smallholder producers.

The producers are also trained in good distillation practices to engage them in reducing their consumption of firewood, improve their yields and health and safety.

The energy efficient units that were installed in 2017 achieved a saving of 260 tonnes of fuelwood during that year. In 2018, these units will make it possible to save an estimated 600 tonnes of fuelwood a year.



Success stories

Clove leaf oil, Madagascar

Since 2011, Givaudan has collaborated with a local NGO in Madagascar on a natural resources preservation programme for the members of our clove leaf oil collection network. The programme aims to reduce the environmental impact of the distillation process by installing more efficient equipment and encouraging the plantation of trees for firewood. In 2017, the programme increased the coverage to 23 village associations (organised groups of smallholder producers). As part of the programme, producers are paid a premium and plant one tree for each kilogram of clove leaf oil they produce. In 2017, producers planted over 100,000 trees.



Patchouli oil production, Indonesia

Among the projects commenced in 2017 is a new partnership with the international NGO Swisscontact to further promote sustainable and traceable patchouli oil production in Indonesia.

Through a comprehensive three-year programme, co-funded by the Givaudan Foundation, smallholder farmers and distillers in our collection network are supported through training in good agricultural and distillation practices.

The producers are supported to reduce the environmental impact of production, improve health and safety measures as well as increase their yields. The programme will also involve the planting of firewood trees and the installation of energy efficient distillation units for smallholder distillers. It will help to strengthen household financial management and nutritional practices through training aimed at women involved in the patchouli supply chain.





Vetiver

Haiti

A cooperative of more than 260 vetiver farmers benefit from technical support and price premiums, which are used to fund development projects such as the repair of an important local road. The vetiver roots and essential oil are certified Ecocert fair trade.

Tonka bean

Venezuela

Tonka bean collectors, a community of 100 families, receive incentives and technical assistance in return for their commitment to preserve the local forest and its biodiversity.

Guarana

Brazil

A cooperative of 84 producer families receives technical and agricultural training. The cooperative uses modern equipment to improve production processes and boost quality.

Cistus Labdanum

Spain

Producers of labdanum gum benefit from our collaboration with a local supplier to increase production efficiency, improve conditions and joint efforts to preserve the local natural environment.

Lavender, lavandin

France

A cooperative of 100 lavender producers benefits from our work with research institutes to fight plant diseases and to promote the long-term future of the crop. We also collaborate with producers to improve quality.

Geranium

Egypt

A partnership with a local supplier to secure a high-quality and consistent long-term supply of geranium oil by sourcing from a modern, large-scale plantation.

Chilli

India

More than 180 chilli producers benefit from assistance to increase productivity and reduce the impact of their production processes on the environment.

Ylang ylang, vanilla

Comoros

Ylang ylang oil and vanilla producer communities are supported through social and environmental projects. Energy efficient equipment for the distillation of ylang ylang oil is used to boost the yield and reduce the impact on the environment.

Clove leaf oil

Madagascar

A Givaudan collection network of 1,000 smallholder producers supplies our clove leaf oil. Sustainable production is supported via a natural resources preservation project, which plants more than 80,000 trees for firewood per year. A first Fair for Life certification has been achieved.

Vanilla

Madagascar

More than 3,000 vanilla farmers and their communities take part in a programme to develop local education and healthcare infrastructure and to promote food security. Their vanilla beans are certified Ecocert Organic.

Benzoin, red ginger, cinnamon

Laos

Benzoin-producing communities are assisted with the provision of educational infrastructure in their villages to improve access to secondary schooling in rural areas.

Patchouli

Indonesia

A Givaudan collection network of 1,000 smallholder producers on the island of Sulawesi supplies our patchouli oil. They benefit from training in sustainable production methods to improve yields and reduce the impact on the environment.

Innovating Responsibly



At Givaudan, we are passionate about enabling novel sensory experiences and allowing our customers to differentiate their products.

But innovation goes beyond simply creating better solutions for our customers. Innovating Responsibly means considering the impact of our products and services on the environment and taking the opportunity to lead change for the better by adding value to benefit consumers and society.

These are among the key material issues that we seek to address throughout our supply chain in the way our products are designed, manufactured and ultimately used by the consumer. As we develop new technologies and ways of engaging the senses, we can create flavour solutions that enable our customers to tackle global food challenges and improve access to food. We also seek to influence consumer behaviour positively by developing fragrance products that promote health and well-being.

Our three focus areas in innovation are the development of alternative sources of key natural raw materials; the development of flavours and fragrances that enable health and well-being; and the application of sustainable processes, such as green chemistry and biotransformation.

In all areas of our activity, from flavours and fragrances to active beauty products, we aim to make sustainability part of every new breakthrough.

Naturals

We expand our customers' access to natural ingredients and solutions. By investigating and developing alternative sources of key natural raw materials we contribute to the protection of fragile natural sources.

How we meet demand for natural flavours

Naturalness is one of the most important drivers of demand in our market, as consumers look for products they can trust from recognised natural sources. For consumers, natural means 'as intended by nature' and the less processed or complex the product, the more natural it is perceived to be. Yet this increasing demand for natural ingredients is putting additional pressure on our planet's resources.

At Givaudan, we take a holistic approach to offering our customers natural flavours in a sustainable way. As the world's leading supplier of flavour ingredients, we have an important role to play in ensuring that the increased demand can be met responsibly.

Today our flavour innovation programme is focused on natural enabling technologies and new ingredients. We harness the power of nature itself by using enhanced fermentation and new technologies to convert raw materials into highly desirable natural flavour ingredients.

We are also developing alternative sources of key raw materials for much-loved flavours such as those of the citrus family.



Citrus continues to be a dynamic and expanding consumer trend in beverages and other products; it is extremely diverse and can be used as a primary base, or as an accentuating flavour. Citrus is used widely in savoury, confectionery and beverage brands.

However, some of the key citrus growing areas have been hit by Greening disease recently, which if left untreated causes the tree to die; and in 2017, Hurricane Irma had a major impact on the Florida crop. The reduction in yield and quality has put a lot of pressure on the supply of citrus worldwide.

The creation of new sources of key raw materials, therefore, plays an important part in enabling us to maintain supply to our customers.

In 2017 we continued to develop our SunThesis® citrus ingredients collection, a range of natural citrus oil replacers. The SunThesis® ingredients are citrus compounds designed to function like original citrus oil; while they come from non-citrus sources they provide that great citrus flavour. SunThesis® products are designed to be as or more stable than the original oils.

Innovative solutions such as these enable us to meet our customers' needs while relieving some of the pressure on increasingly scarce citrus resources.

 More details and recent coverage on SunThesis® can be found [here](#).

Doing more with less to create new fragrance signatures

The aim of our Naturals group in the Fragrance Division is to furnish its perfumers with the best palette of natural ingredients, so that they can develop differentiating olfactive signatures. This is achieved by reinventing some families of natural materials through our approach of Crafting with Purpose.

We are developing new 'upcycling' techniques to create luscious scents and concentrate molecules to yield intensely powerful notes.

In 2017 Givaudan achieved an industry first by making Apple Oil, a fragrance note, directly from fruit puree, a process side stream of juice production. The breakthrough lies in the way we remove the water from the puree and then craft the final extract. Normally, notes derived from fruit are too watery to be used in perfumery applications.



Another novel technique allows us to produce more fragrance with less material. By concentrating citrus molecules we obtain a multiplier effect at low quantities. This approach has been used to create several Citrus Coeur qualities, which now form part of our exclusive Citrus Collection.

While we rely on our sourcing practices for a supply of sustainably produced raw materials, we also foster research and development at source, working with the plants themselves.

In our Active Beauty business, we use nature as a source of inspiration to develop new active ingredients. Revivyl™ is a recent example, which is based on the *Orobanche rapum*, a unique European chlorophyll-free plant.

Health and well-being

We offer novel sensory experiences, unique products and solutions to help our customers promote consumer health and well-being. Our flavour products include authentic taste alternatives for key ingredients such as sugar and salt; and we have enabled new sources of protein for integrated solutions where taste and flavour play a key role in food and beverage products. Similarly, in fragrances we have developed our understanding of how odour and smell can be used to positively impact health and well-being.

Flavours that promote healthy choices

Givaudan is pioneering work to promote health and well-being through our flavour creations. In response to customer demand for healthier and more nutritious options we have established a variety of programmes to develop great-tasting alternatives for ingredients such as sugar and salt.

According to the World Health Organization (WHO), an estimated 2.5 million deaths could be prevented each year if global salt consumption was reduced to the recommended level. Food manufacturers have responded by reducing salt

levels, but fear that consumers might turn away from low-salt products in the belief that they won't taste as satisfying as standard products. A slow and steady approach to salt reduction has proven popular, giving consumers' taste buds time to adjust.

Our goal is to develop flavours so satisfying that less sugar or salt can still deliver full enjoyment.

We are providing customers with solutions for healthier products in line with salt target initiatives. TasteSolutions® Salt are flavours that help customers to develop healthier new products, or reduce sodium levels in existing branded lines.

TasteSolutions® Sweetness delves deep into the science behind sugar to analyse its unique taste, mouthfeel and aroma at a molecular level. We work to find alternatives that match on every level.

TasteSolutions® Mouthfeel is another flavour programme aimed at promoting healthier diets. The technology seeks to minimise fat by replicating the satisfying mouthfeel that comes from high levels of that ingredient.



More information on:

- [Sweetness](#)
- [Mouthfeel](#)

Among the products we have commercialised in the last 18 months are Pollux, for sweet taste enhancement in beverages, yoghurt and cereals; Akira for clean-label taste enhancement in soups, sauces and salted snacks; and Dairy Mouthfeel ingredients, which provide the richness and mouthfeel for product formulations with less fat.

New sources of protein

At Givaudan, we are keen to play our part in addressing the massive impact that meat production and consumption has on the environment and on our health. So, alongside our work to create authentic and healthier substitutes for salt and sugar, we are also enabling vegetable proteins as an alternative source of meat flavours, and developing integrated solutions for beverages and savoury foods.

Pound-for-pound, gallon-for-gallon, animal-sourced foods use vastly more water and carbon to produce than plant-based foods. Consumers are responding by making an effort to cut down on their meat consumption. Flexitarianism is on the rise, a trend that refers to consumers who consciously reduce the amount of meat they eat and have 'meat-free' days.

We have dedicated considerable effort to understanding this category and to develop tools to transform vegetable proteins into a real meat experience. This has enabled us to build expertise in creating consumer-preferred flavours for meat analogue products. We are elevating vegetable proteins to the high expectation of flexitarian taste and designing meat substitute products that recreate the experience and enjoyment of real meat. As well as new ingredients to improve the authenticity and impact of meat flavours, we have also developed taste-masking solutions to enhance the palatability of high-protein drinks and other products.

Exploration in these areas is supported through our involvement in a number of research programmes. For example, the Plant Meat Matters Consortium at Wageningen University in the Netherlands is looking for solutions that address the taste and texture challenges of non-animal protein. We are working with students to design the flavours and smells necessary to create enticing plant-based meat alternatives.

Fragrances and active products to create a sense of well-being

Consumers are increasingly certain about which products they prefer and expect brands to fully integrate health, beauty and sustainability in their product offerings.

When crafting fragrances, we always seek to inspire a sense of well-being in the consumer, while for many of our customers the promotion of health and well-being is a key strategy.

In the last quarter of 2017 we created a Centre of Excellence dedicated to this area of innovation. The group includes platforms focused on malodour control, neurosciences and oral care. The teams are working on the promotion of health and well-being through the removal of negative influences such as malodour and using fragrance to positively influence mood and behaviour. We are also working on the delivery of positive experiences in the mouth and mouth hygiene.

We are committed to leading the sensory innovation space in well-being, behaviour and sleep.

The lack of sleep is a public health epidemic and a growing global concern. Consumers are continuously looking for ways to improve the quality of their sleep and turning to new applications such as aromatherapy and connected devices. We used our extensive knowledge of the effects of fragrance on brain and behaviour to develop and launch a new technology in 2017 to help people sleep more soundly. DreamScentz™ works on the link between fragrance, positive states of mind and a



proper night's sleep. The technology offers new opportunities for our customers who want to expand their product portfolio to include fragrance solutions that enhance the sleeping experience for consumers around the world.

In Active Beauty, again we develop new products always with health and well-being in mind. As part of our commitment to furthering our knowledge in skin health and to extend our expertise, Givaudan Active Beauty inaugurated its Skin Expertise Technical Centre in Pomacle, France, in 2017. The centre's mission is to accelerate cosmetic research and development projects; it offers high throughput screening capabilities in order to more rapidly identify and select lead compounds with new biological activities. The new centre will enable us to bring more value to our customers and benefits to the consumer as we develop the active ingredients of tomorrow.

Our Active Beauty Research and Development Department has also made great progress in understanding the mechanisms of skin renewal. By cracking the secret of this complex natural cycle, the team has been able to develop the first active cosmetic ingredient to accelerate the entire skin regeneration process. Revivyl™ is based on the Orobanche rapum, a unique European chlorophyll-free plant, and has been designed to deliver targeted biological actions from the lower to the higher layers of the epidermis, while protecting the skin microbiome. This innovative active ingredient meets consumer desire for a natural way to look and feel better with younger skin.

Sustainable processes

We offer our customers the ingredients palette of the future by using green chemistry and optimising opportunities derived from traditional and novel forms of biotransformation. In designing innovative processes, we consider biodegradability and promote the reuse, recycling and recovery of by-products.

Making flavours with plant materials and natural processes

When developing new ingredients, we always consider their impact on the environment. With that in mind, we look for new ways to make flavour compounds via natural processes, such as fermentation, and use sustainable plant materials. Biotransformation is another process inspired by nature, which allows us to use natural ingredients as raw materials and harness the power of micro-organisms to create natural flavours.

We also run a programme to identify flavour ingredients that can be derived from process side streams.

Evolving the palette using green chemistry

Modern biotechnology techniques enable us to produce existing molecules or create new captives. In designing innovative processes, we also look at how we can reuse and recover process side streams. By following green chemistry principles, we ensure ingredients are safe by design and that our manufacturing processes make efficient use of energy and materials, while reducing water consumption and waste.

Our latest sustainable molecule is the soothing skin agent BisaboLife™. The product was launched in 2017 and is fully bio-sourced. Givaudan's Active Beauty business used an exclusive fermentation process to create this pure, natural, biodegradable and sustainable source of alpha-bisabolol.

Acting for Our Environment



At Givaudan we are taking action for the environment across our operations and throughout our value chain.

We are implementing an ambitious agenda to reduce greenhouse gas (GHG) emissions and improve eco-efficiency, waste and resource management. We assess every aspect of our activities and those of our suppliers to find opportunities to limit our environmental impact – from purchasing 100% renewable electricity to encouraging zero deforestation. Our targets to reduce GHG emissions are approved by the Science Based Targets initiative and are aligned with the global effort to limit climate change to 2°C of warming.

This chapter details the great progress we have made in addressing the issues of climate change, waste management and water stewardship; it also describes our efforts to take account of the environmental impact of our products and foster local community development.

Ensuring environmental stewardship

Givaudan is a signatory to the International Council of Chemical Associations Responsible Care Global Charter. As a signatory, Givaudan commits to drive continuous improvement and achieve excellence in environmental, health and safety performance. That commitment is formalised in our EHS policy, a set of principles embraced by the highest level of our leadership.

In accordance with the charter, our Responsible Care Management System (RCMS) provides a solid framework for implementing our policies on a day-to-day basis. Included in the RCMS is our environmental management system. The target setting, documentation of improvement initiatives and regular performance reporting by individual sites fulfils the requirements and principles of the ISO 14001 Environmental Management System. For local market related reasons some of our sites have had their environmental management system certified against the ISO 14001 standard. To date, six of our manufacturing locations are concerned: Cimanggis, Daman, Pedro Escobedo, Sant Celoni, Vernier and Volketswil.

In addition to a set of strong principles and standards, we have built a management team of experts including members of the Environment Centre of Expertise, the Environmental Health and Safety (EHS) field organisation, operations, supply chain and procurement functions. Its role is to develop our global roadmap and support and encourage the business to meet our environmental targets.

Through a collaborative approach, the team seeks to establish processes to engage with the leadership of the business functions and drive progress on the material aspects of climate change, water stewardship, waste management, transparency and reporting, and product environmental and societal impact. The mission is to translate targets and commitments into optimal plans, and identify future opportunities to improve environmental performance.

| Targets | | Progress 2017 |
|---------|---|---|
| 1 | -30% absolute Scope 1 + 2 emissions between 2015 and 2030 | -8.1% ¹ |
| 2 | -20% absolute Scope 3 emissions between 2015 and 2030 | +13.6% ¹ |
| 3 | 100% renewable electricity by 2025 | 57.8% |
| 4 | -15% water per tonne of product by 2020 (use of municipal and groundwater, baseline 2009) | -19.4% ¹ |
| 5 | -4% waste per tonne of product, year on year average (baseline 2015) ² | -4.5% p.a. on average (-9.0% since baseline 2015) |

¹ Compared to baseline year.

² Incinerated and landfilled waste.

To that end, Givaudan has developed a set of drivers to ensure success in delivering against its targets. All our production sites have developed their site eco-efficiency plan (SEEP), setting individual eco-efficiency targets to be achieved over a period of two to three years.

This work is supported by our Green Teams, which are cross-functional groups of volunteer employees in each site who identify additional eco-efficiency projects or seek to improve existing ones on a continuous basis. The most successful Green Team project is recognised with an eco-efficiency Green Team award as part of a programme run by the Executive Committee.

Energy saving workshops have also had an impact on site performance and efficiency. In 2017 we conducted five workshops across both divisions and identified potential for average energy savings of 5 to 10% per site.

How to read our performance indicators

Baseline recalculation

In order to enable a meaningful comparison of environmental performance over time, Givaudan has established a standard process, based on the GHG Protocol, to recalculate its baseline indicators in case of structural changes such as acquisitions, and changes in calculation methodology and inventory boundaries.

In this report the baseline recalculation applies only to GHG emission numbers as these are the only absolute targets published by the Company. To consider the impact of 2015 and 2016 acquisitions we recalculated the figures up to the 2015 baseline.

This is the only way to compare performance on a like-for-like basis over time. The process includes definitions of recalculation triggers and the process of reporting the information. Thanks to this guidance, Givaudan is able to track its environmental performance in a transparent manner and with confidence that the data are accurate despite the changes related to the business growth.

Baseline years

In this report we use two baseline years to show our performance indicators, 2009 and 2015. The CO₂, energy, waste and targets were set against a 2009 baseline, which we met in 2015. This led to the publication of strengthened targets, against a 2015 baseline. For water the 2009 baseline year is still valid. For production volumes, both 2009 and 2015 are reported since the ratios are calculated using the data of the accurate baseline year.

Meanwhile, we have introduced regular eco-efficiency performance reporting on site, regional, divisional and global levels, and we have implemented the "Green Chapter" for capital expenditure project proposals. The Green Chapter has to include an outline of the eco-efficiency aspects, a cost/benefit analysis and elements related to a 'price on carbon' concept of the proposed investment.

Greenhouse gas emissions

Givaudan has developed a comprehensive plan for reducing its direct and indirect greenhouse gas emissions.

Direct emissions (Scope 1) are those from sources that we own or control; energy indirect emissions (Scope 2) are produced in the generation of energy that we purchase, for example electricity. A key element of our strategy for reducing Scope 1 and 2 emissions is the RE100 initiative to convert our entire electricity supply to fully renewable sources by 2025. Alongside this, we are leading significant energy consumption reduction projects across our operations and making improvements through the investment and effort we put into our energy saving workshops and the site eco-efficiency plans. Overall employee awareness also helps to deliver gains in this area.

Success story

Consolidating shipments of raw materials to cut CO₂ emissions

We are reducing CO₂ emissions and making cost savings in our regions by consolidating road shipments of imported raw materials from sea and airports to our manufacturing sites.

After analysing the transport arrangements in North America and EMEA regions, we have made savings in costs and emissions by consolidating deliveries to our Malvinas plant in Argentina. We realised that rather than organise deliveries by supplier, we could create hubs in other regions and achieve better and more efficient filling of containers.

From September 2016 to August 2017 the number of domestic shipments in Argentina has reduced by 344, which produced a fall in CO₂ emissions of 205 tonnes in the same period.

Having successfully introduced the changes in the NOAM and EMEA regions, we are soon to do the same in the APAC region.

Other indirect emissions (Scope 3) refer to those produced by our entire value chain. In order to improve Scope 3 performance, Givaudan is engaging with its suppliers to reduce the carbon footprint of purchased goods and services and the associated transport. We have also joined the CDP Supply Chain, which will enable us and our suppliers to identify opportunities to reduce our carbon footprint. Together we will focus on transport, packaging and purchasing of raw materials. As an example, to achieve sustainable transport and logistics requires good transport planning. This in itself depends on good communication and planning within the business and with our customers. In this way we can do things such as arrange more sea freight, instead of air cargo, which is cost-effective and has less GHG emission output.

As part of our strategy, Givaudan has committed to reduce absolute Scope 1 and 2 GHG emissions by 30% between 2015 and 2030. We have also set a goal to reduce Scope 3 GHG emissions by 20% over the same period. Our targets are approved by the Science Based Targets initiative, an international partnership between CDP, the UN Global Compact, WRI and WWF. They are in line with the global effort to keep temperature increases below the 2°C threshold, a key goal of the 2015 Paris Agreement on climate action.

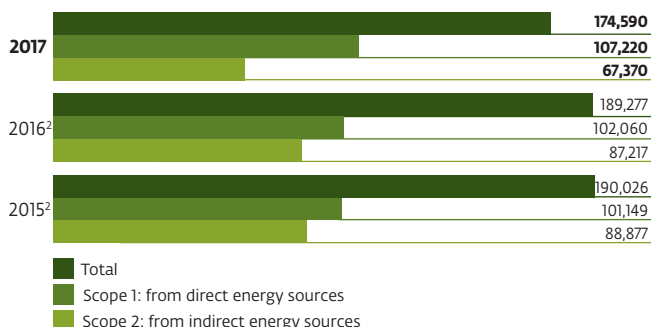
In support of those goals, Givaudan has also committed to ensure that by 2025 all of the electricity it buys will come from renewable sources.

1 Progress Scope 1 + 2

During 2017, the absolute total direct and indirect GHG emissions decreased by 15,435 tonnes (i.e. 8.1%) against the baseline figure for 2015.

Greenhouse gas (GHG) emissions (Scope 1 + 2)

GHG emissions (tonnes)¹



¹ Greenhouse gas data are limited to CO₂ emissions.
² Restated.

GRI Disclosure 305 – 1, 305 – 2, 305 – 5

Success story

Upgrading Company car fleet to hit EU emissions target

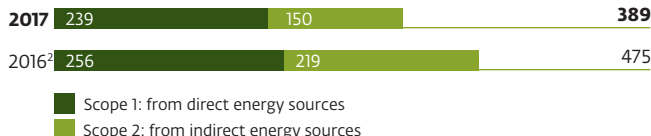
We are setting a course to reduce the emissions of greenhouse gases and particulate matter from our fleet of Company cars in Dortmund and Hamburg, Germany. The project aims to replace the vehicles used by our management team with energy-efficient cars to meet the European Union 2020 emission target of 95g of CO₂ per kilometre. A programme of monitoring has been established and includes the measurement of fuel consumption, implementation of compelling key performance indicators and the setting of emissions value limits. A modernised fleet of eco-efficient cars will not only reduce fuel costs but also limit the release of greenhouse gases and pollutants, while supporting Givaudan’s own sustainability strategy.

3 So far 57.8% of all the electricity we purchase comes from renewable sources. In total 16 of our 41 manufacturing sites are powered solely by electricity from renewable sources.

To monitor our performance on carbon emissions we participated in the annual Climate Change CDP survey for investors as well as in the Climate Change supply chain survey at the request of a number of customers. This year’s performance score was Leadership A (on a scale of A – D with A being the highest). The scores demonstrate that we regard the mitigation of climate change as a critical issue for our business and that we manage our carbon emissions through rigorous internal data management and the implementation of improvement initiatives.

GHG emissions intensity (Scope 1 + 2)

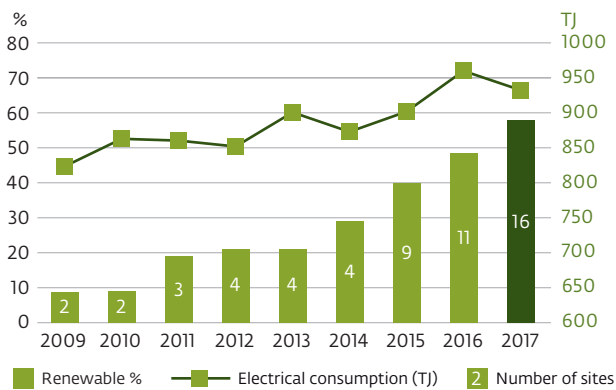
GHG emissions (kg) per tonne of product¹



¹ Greenhouse gas data are limited to CO₂ emissions.
² Restated.

GRI Disclosure 305 – 4

Electrical consumption and renewable energy used



2 Progress Scope 3

During 2017, our Scope 3 GHG emissions increased by 13.6% against the 2015 baseline figure. A detailed explanation on calculation and progress per category follows.

Scope 3 emissions calculation and progress

In 2016 Givaudan analysed the indirect GHG emissions associated with its global supply chain activities. The analysis excluded the following categories: fuel and energy related activities; packaging of finished products; upstream and downstream transportation and distribution; waste generated in operations; business travel and employee commuting. These categories are calculated separately using other methodologies.

The analysis is based on the procurement data for 2015 and includes the spend on raw materials and indirect materials and services. Analysis of the GHG impact was conducted using the macroeconomic Escher model, using data from the external Global Trade and Analysis Project (GTAP).

Purchased goods and services

Packaging of finished products:

Our SAP systems allow us to retrieve global data for different types of packaging. The data were combined with standard GHG footprint information from our suppliers. The estimated 2017 footprint is 58,575 tonnes; an increase of 0.6% when compared with the 2016 footprint. Given the growth in production volume, this level of increase shows an improvement in our packaging practices. We are assessing ways to reduce our footprint, for example by reducing the weight of our containers and using alternative packaging with more sustainable materials.

Indirect materials and services (excluding packaging) and raw materials:

The 2017 GHG emission figure was calculated by using the 2015 ratio between spend and GHG emissions and extrapolating to the 2017 spend figure. A proper recalculation is planned when the GTAP is updated.

Other indirect greenhouse gas (GHG) emissions (Scope 3)

| GHG emissions (tonnes) | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|
| Purchased goods and services | 1,259,057 | 1,335,081 | 1,447,437 |
| Packaging of finished products ¹ | 55,605 | 58,249 | 58,575 |
| Indirect materials & services ¹ (excluding packaging) | 143,569 | 137,860 | 156,186 |
| Raw materials ¹ | 1,059,883 | 1,138,972 | 1,232,676 |
| Capital goods ¹ | 48,696 | 42,927 | 69,611 |
| Fuel and energy related activities | 79,110 | 79,505 | 62,921 |
| Upstream transportation and distribution ¹ | 23,196 | 25,356 | 26,347 |
| Waste generated in operations | 15,369 | 16,748 | 16,094 |
| Business travel | 10,056 | 11,102 | 12,303 |
| Employee commuting | 15,296 | 15,756 | 16,530 |
| Downstream transportation and distribution | 42,692 | 47,233 | 45,561 |
| Outbound product to customers ¹ | 30,879 | 31,431 | 32,844 |
| Outbound intercompany deliveries ¹ | 11,813 | 15,802 | 12,717 |
| Total | 1,493,472 | 1,573,708 | 1,696,804 |

¹ These numbers do not include data from our production site in Volketswil.

GRI Disclosure 305 – 3

Emissions of ozone-depleting substances (ODS)

| Ozone-depleting substances | 2016 (restated) | 2017 |
|---|-----------------|--------|
| CFC inventory (kg) | 11,688 | 11,662 |
| CFC 11 equivalent inventory (kg) | 648 | 650 |
| CFC loss-replacement (kg) | 1,335 | 773 |
| CFC 11 equivalent loss/replacement (kg) | 73 | 42 |

GRI Disclosure 305 – 6

NO_x, SO_x, and other significant air emissions

| Other significant air emissions | 2016 (restated) | 2017 |
|---|-----------------|------|
| Nitrogen oxides – NO _x tonnes ¹ | 81 | 88 |
| Sulphur dioxide – SO ₂ tonnes | 1 | 1 |
| Volatile organic compounds (tonnes) | 521 | 469 |

¹ The quantity is calculated by multiplying the annual fuel consumption by the corresponding emission factor for fuel type.

GRI Disclosure 305 – 7

Energy consumption within the organisation

| | 2016 (restated) | 2017 | Change in % |
|--|--------------------|------------------|-------------|
| Direct energy: from primary sources (Gj) | | | |
| Natural Gas | 1,609,073 | 1,776,565 | 10.4 |
| Town Gas | 142 | 172 | 21.1 |
| LP Gas | 12,855 | 6,098 | -52.6 |
| Light fuel oil | 69,751 | 67,024 | -3.9 |
| Heavy fuel oil | 0 | 2,106 | - |
| Waste used as energy | 45,940 | 45,338 | -1.3 |
| Total direct energy | 1,738,391 | 1,897,303 | 9.1 |
| Indirect energy: purchased electricity and steam (Gj) | | | |
| Electricity purchased | 964,358 | 936,713 | -2.9 |
| Steam purchased | 65,050 | 54,887 | -15.7 |
| Total indirect energy | 1,029,408 | 991,600 | -3.7 |
| Total energy | 2,767,799 | 2,888,903 | 4.4 |

GRI Disclosure 302 – 1, 302 – 4

Energy intensity

| | 2016 (restated) | 2017 |
|--|--------------------|------|
| Energy intensity (Gj per tonne of product) | 6.95 | 6.43 |

GRI Disclosure 302 – 3

Success story**Upgrading equipment to boost efficiency**

The installation of new control equipment on two steam-generating gas boilers at our Jaguaré plant in Brazil has produced significant improvements in operating efficiency, reducing gas consumption and emissions.

Both of the boilers were used simultaneously in flavour and fragrance production at the site. But having achieved more precise control over the gas and air intake to the burners, it is now possible to meet operational demands with just one boiler.

The change has reduced CO₂ emissions by 158.7 tonnes and cut gas consumption by 76.7m³ in 2017, making much more eco-efficient use of our installed steam-generation capacity.

Capital goods

The 2017 GHG emission figure was calculated by using the 2015 ratio between spend and GHG emissions and extrapolating to the 2017 spend figure. A proper recalculation is planned when the GTAP is updated.

Fuel and energy related activities

The figures cover CO₂ emissions related to the exploitation, production and transport of primary energy carriers and electricity, which are not included in Scope 1 or Scope 2 emissions. The data are extracted from the ecoinvent database 2.2 (method: IPCC 2007). Good progress has been made due to the increase in the supply of renewable electricity.

Upstream and downstream transportation and distribution

We monitor the environmental impact of transportation (air, ship and road) by calculating the associated GHG emissions. We do this through a model that tracks all transport movements through our SAP system (by mode of transport), from delivery to receipt locations of raw materials, intercompany deliveries and deliveries to customers. To calculate the GHG footprint, emission factors per mode of transport are used as per the Cefic guideline of 2011. We are assessing ways to reduce our footprint, for example through consolidation and choice of engine type.

Waste generated in operations

Figures are based on the tonnage of waste generated in our operations that is incinerated and sent to landfill. To calculate the GHG footprint, emission factors per mode of treatment are used as per the GHG Protocol guideline.

Business travel

Data on distance travelled are collected through our global and local travel agencies. To calculate the GHG footprint, emission factors per haul and class are used as per the 2017 Department for Environment, Food and Rural Affairs (UK) definition.

Employee commuting

The number for employee commuting is based on the employee commuting survey results from 2015 and extrapolated to the number of full-time employees as of 31 December 2017. A new survey will be completed in 2018.

Givaudan actively encourages its employees to reduce the GHG emissions of their daily commute. The Company supports a range of schemes including a bike-to-work initiative at our Swiss sites; carpooling is facilitated through our intranet platform and some sites provide recharge stations to support the transition to electric cars.

GRI Management Approach (103 – 2, 103 – 3): Topic 302, 305, pages 48 – 51

4 Water management

Givaudan is striving to be an industry leader in water conservation and stewardship. We are committed to making efficient use of this increasingly precious natural resource and to limit the environmental impact of the way we consume and discharge water.

Our actions include reducing water withdrawal, recycling water and making use of other sources such as rainwater. Meanwhile we are working to ensure that the wastewater from our operations is discharged responsibly.

Our strategy for monitoring and reducing water consumption is embodied in our Water Stewardship Programme.

Water is an essential element in our manufacturing activities as well as in our entire value chain. As a priority, in places where water stress is expected, we carry out risk assessments to develop water mitigation action plans; these include efficiency improvements and water reuse opportunities. The Water Stewardship Programme is also used to guide our growth strategy in terms of location, technology and procedure to ensure water risks are managed and monitored.

Our target for water use is a 15% reduction per tonne of product by 2020 (for municipal and groundwater).

Progress on water

Givaudan hit its 2020 intensity based water consumption target this year with a reduction of 19.4% (per tonne of product) against

the baseline figure for 2009. Our early success is due to the many years' consistent effort to reduce consumption across our production sites led by our Green Teams and local engineering teams. Looking ahead, we will continue to develop the Water Stewardship Programme and focus attention on minimising the environmental impact of our activities.

In line with our strategy, we participated in the annual CDP Water questionnaire for the third year as well as in the water supply chain questionnaire at the request of a number of customers. The 2017 performance score was A-. Our score shows the robustness of our process and our capability to assess and manage water issues throughout our value chain.

Quality monitoring of waste water

The water quality is monitored through Chemical Oxygen Demand (COD) analysis. The resulting 2017 total quantity of COD discharged has been measured and calculated at 608 tonnes.

GRI Management Approach (103 – 2, 103 – 3): Topic 303

Success story

Planning production runs to reduce water usage

In 2012, a project to reduce energy and water consumption was launched at our production site in Daman, India. Until 2016, the team achieved significant progress, cutting consumption by 37 and 23% respectively.

That effort continued in 2017 with a focus on the dry powder production site, which has the highest rate of consumption of all three of our manufacturing facilities in India. After a detailed analysis we found that longer production runs of similar variants could reduce the frequency of in-process cleaning, which is a major contributor to water consumption.

In 2017, water consumption per batch fell by 20% on the previous year to 0.72 m³; overall the amount of water used per tonne of production fell from 1.1 m³ to 0.93 m³, a reduction of 15.24%.

Success story

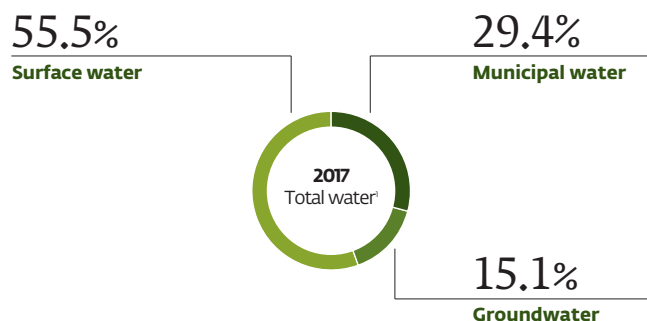
Harvesting rain water and reducing consumption

Prior to 2011 our Jigani manufacturing site in India relied on water that was purchased from a local borehole and brought in by tanker. We used to supplement this with water from a well on site, but in the summer months the well would run dry. Our team solved the problem by harvesting rainwater and draining it into the subsoil around the well.

Today the well is able to meet all our site needs, so we no longer rely on tanker shipments, which means a cut in CO₂ emissions. We have also implemented a number of measures to reduce water consumption. For example, the water from our well is treated via reverse osmosis to make it potable. All our wastewater is recycled for internal landscaping and we have overhauled our pipe network to ensure zero leakage.

Overall water consumption is measured daily and we respond accordingly to keep it under control. Since 2011 we have reduced consumption on site by 38%. Our specific water consumption per tonne of product fell from 0.68 kilolitres in 2016 to 0.64 kilolitres in 2017, a 6% reduction.

Total water withdrawal by source



| Water intake (m ³) | 2009 (restated) | 2016 (restated) | 2017 |
|---------------------------------|--------------------|--------------------|------------------|
| Municipal water | 2,286,999 | 2,539,275 | 2,612,556 |
| Groundwater | 1,074,035 | 1,307,576 | 1,335,663 |
| Total municipal and groundwater | 3,361,034 | 3,846,851 | 3,948,219 |
| Surface water | 7,432,649 | 5,225,273 | 4,925,910 |
| Total water¹ | 10,793,683 | 9,072,124 | 8,874,129 |

¹ Includes sanitary, cooling and process water.

GRI Disclosure 303 – 1

Total water discharge by quality and destination

| Water discharge (m ³) | 2016 | 2017 |
|--|------------------|------------------|
| To the environment without biological treatment | 4,634,189 | 4,260,564 |
| To the environment after biological treatment | 2,005,856 | 2,029,078 |
| To external treatment facility without pre-treatment | 416,126 | 558,236 |
| To external treatment facility after pre-treatment | 1,703,562 | 1,633,523 |
| Total discharged water | 8,759,733 | 8,481,401 |

GRI Disclosure 306 – 1

5 Waste reduction

We are working hard to limit the amount of waste we produce through a four-pronged process. First, we are reducing the amount we create as a by-product of our processes; then we reuse where possible and recycle in an effort to move away from disposal in landfill or by incineration. Where waste is incinerated we recapture the energy.

Our target is to reduce incinerated and landfilled waste production per tonne of product by an average of 4% year on year against the 2015 baseline figure.

Progress on waste

During the course of 2017 the figure for the amount of waste generated per tonne of product fell by 9.0% on 2015.

The reduction is due to efficiency projects and investments implemented by our Green Teams and local engineering teams. The projects focused on reducing waste and recycling more material that would otherwise be incinerated or sent to landfill; the reduction of landfill is a priority. In total, Givaudan recycled 73% of all its waste in 2017; that figure rose to 79% when the energy recovered from incineration was taken into account.

GRI Management Approach (103 - 2, 103 - 3): Topic 306

Success story

On target to end sending waste to landfill

Since 2015, the local Green Team at Cuernavaca has made great progress towards hitting its site sustainability goal of zero waste to landfill by 2020. Thanks to an ambitious waste management programme the site achieved a reduction of 34% in the waste to landfill category.

This year the team continued its efforts, identifying local waste management partners who can guarantee disposal with positive environmental effects. For example a local composting centre is taking organic waste and helping to enrich soil to grow food for children in poverty.

Meanwhile, the team worked internally to make sure that the importance of separating waste at source is well understood. Proper waste handling and separation is necessary to make reuse and recycling possible.

As part of the campaign, staff were engaged in a contest called “Environmental Challenge” to test their waste management knowledge. This effort continued through 2017 with good levels of acceptance and has brought the site closer to its 2020 goal, reducing the amount of non-hazardous waste sent to landfill by a further 29% in that period.

Waste efficiency

| (tonnes of waste/ tonne of product) | 2015 (restated) | 2016 (restated) | 2017 |
|--|--------------------|--------------------|--------|
| Incinerated and landfilled waste | 0.0457 | 0.0475 | 0.0416 |

Total weight of waste by type and disposal method

| Hazardous waste (tonnes) | 2015 (restated) | 2016 (restated) | 2017 |
|--|--------------------|--------------------|---------------|
| Incinerated | 8,557 | 9,543 | 8,956 |
| Incinerated with energy recovery ¹ | 4,132 | 3,989 | 4,178 |
| Landfilled | 318 | 108 | 105 |
| Recycled | 17,357 | 16,744 | 17,258 |
| Total hazardous waste | 26,232 | 26,395 | 26,318 |

| Non-hazardous waste (tonnes) | 2015 (restated) | 2016 (restated) | 2017 |
|--|--------------------|--------------------|---------------|
| Incinerated | 2,230 | 2,544 | 2,707 |
| Incinerated with energy recovery ¹ | 1,076 | 719 | 424 |
| Landfilled | 6,412 | 6,704 | 6,892 |
| Recycled | 27,826 | 28,574 | 32,459 |
| Total non-hazardous waste | 36,468 | 37,823 | 42,058 |

¹ Quantity out of total incinerated waste which is incinerated with an energy recovery of at least 75%.

The percentage of the total recycled waste represents 70% of all our waste in 2016. This figure increased to 77% when incineration with 75% energy recovery is also classified as 'recycled'.

 Disclosure 306 – 2

Success stories**Reprocessing plastic cans to avoid incineration**

The installation of a shredder and rinsing plant at our Naarden facility in The Netherlands has enabled us to recycle large volumes of used plastic containers. The new equipment is helping to reduce waste and the associated carbon emissions of sending the cans for incineration. The cans are made of a high-value plastic; once shredded, they are rinsed in treated effluent water from our wastewater treatment plant; the rinse water is then retreated on site. The shredded plastic can be used as a high-quality raw material to improve other collected recycled plastic. As a result, the combined saving in CO₂ emissions from reduced transportation and incineration is 155 tonnes per year.

Recycling oil by-products to reduce waste

Citrus oil is a by-product of flavour production at our site in Pudong, China. Having considered the properties of the oil, the site team searched for ways to reuse it and found that citrus oil could be a useful additive in a range of applications.

Two local manufacturers were keen to take advantage of its ready availability. One company now uses the oil to modify the smell of fuel oil while the other extracts the terpene for an oil-based solvent in industrial detergent.

Since the initiative started in 2017, some 50 tonnes of oil have been reused. The new demand for citrus oil is continuous so the team expects to dispose all its citrus oil without recourse to incineration and to avoid the related energy consumption.

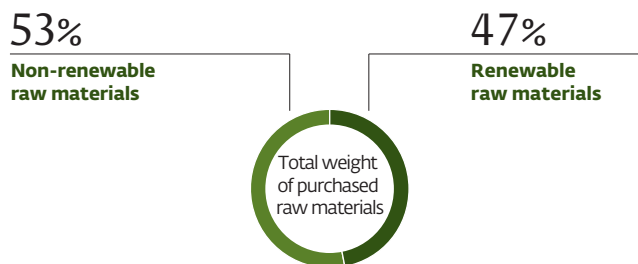
Materials

Givaudan's Procurement function is in charge of purchasing all the raw materials and indirect materials and services required to produce our flavours, fragrances and active ingredients.

The function comprises the following categories: synthetics, natural commodities, specialty naturals and indirect materials and services. In addition, a procurement business partner in each division acts as liaison to optimise the sourcing processes with the business requirements and constraints. Every category is managed according to its specific needs and has a support function.

A key support function is the Responsible Sourcing team, which ensures all suppliers adhere to our Responsible Sourcing Policy and that our supply chains are mapped and assessed against our strict guidelines.

Materials used by weight



| | |
|--|----------------|
| Weight of purchased raw materials (tonnes) | 2017 |
| Total | 425,041 |

The raw materials total includes all synthetic materials and natural resources purchased in 2017 in order to produce our fragrances, ingredients and flavours. This total does not include indirect or process materials.

| | |
|--|---------------|
| Weight of purchased packaging (tonnes) | 2017 |
| Plastic HDPE | 6,141 |
| Steel/Metal | 13,464 |
| Fibre | 507 |
| Paper/Board | 3,129 |
| Wood | 12,756 |
| Total | 35,997 |

GRI Management Approach (103 – 2, 103 – 3): Topic 301 Disclosure 301 – 1

A biodiverse world

Biodiversity is essential to the long-term survival of life itself. It also underpins so much of what we do at Givaudan on a daily basis. Therefore the impact of climate change and the loss of habitat have immediate consequences for our business.

Access and Benefit-sharing (ABS) and the preservation of biodiversity are an integral part of the way we manage risk. In fact, if we did nothing to prevent the loss of species the cost of raw materials would rise or at least become more volatile; local producer communities would be among the first to suffer and our supply chains would be at risk of disruption.

Access and Benefit-sharing

Our approach to addressing this issue is based on the principle of sharing the benefits of biodiversity as promoted by the Nagoya Protocol, which we actively support. To that end we have developed a position statement on the Convention on Biological Diversity (CBD) and particularly on local legislation and regulations implementing the Nagoya Protocol that can be found on our [website](#).

Our working group on biodiversity, which handles the principle of ABS, incorporates functions such as procurement, regulation, legal, innovation, sustainability and marketing.

From an innovation perspective, all our programmes take into account the principles of the Nagoya Protocol. The research teams have initiated internal processes to record and manage information relating to the use of genetic resources for research. We also assess the potential impact of biodiversity laws worldwide.

Biodiversity preservation

Givaudan has initiatives to preserve biodiversity in three areas.

In our supply chains, we address specific issues of biodiversity preservation. Our Sourcing for Shared Value strategy is based on a best practice approach, which has brought significant improvement. As such, biodiversity preservation is a key component of our Responsible Sourcing Policy and asks suppliers of raw materials to respect a set of requirements on environmental values.

We form partnerships with academia to protect important species. For example, Givaudan has collaborated for more than a decade with the University of California, Riverside to support the care and preservation of a unique Citrus Variety Collection. Today the collection is one of the most extensive, unique and diverse in the world, encompassing more than 1,000 different citrus varieties. The Company also supports The Givaudan Citrus Variety Collection Endowed Chair with the aim of helping to preserve citrus biodiversity for generations to come.



We also form partnerships with international organisations. As a member of the NRSC, we contribute to improving biodiversity in the areas where we source our natural raw materials. We follow NRSC guidelines on best practice, which define the technical specifications and processes for reducing the environmental and societal impact on the species that we buy.

The recommendations address soil erosion, deforestation, over-use of species and water consumption, all of which contribute to the preservation of precious natural resources.



For more information:
www.nrsc.fr



Management Approach (103 – 2, 103 – 3): Topic 304
Disclosure 304 – 2

Appendix

In this section:

| | |
|--|-----------|
| Performance indicators – environmental | 59 |
| Performance indicators – restatement table | 61 |
| The principles of the UN Global Compact | 65 |
| The Sustainable Development Goals | 66 |
| GRI Content Index | 67 |
| Independent Assurance Statement | 73 |
| Overview of annual publications | 75 |



Performance indicators – environmental

| Key performance indicators | | 2009 (restated in 2017) | 2015 (restated in 2017) | 2016 (restated in 2017) | 2017 |
|---|--|-------------------------------|----------------------------|----------------------------|------------------|
| Energy | | | | | |
| Energy (GJ) | Direct energy (from primary sources ¹) | | 1,708,571 | 1,738,392 | 1,892,931 |
| | Indirect energy: purchased electricity & steam | | 950,117 | 1,029,408 | 991,600 |
| | Total energy | | 2,658,689 | 2,767,799 | 2,884,531 |
| Energy efficiency (GJ/tonne of production) | Direct energy efficiency | | 4.46 | 4.37 | 4.22 |
| | Indirect energy efficiency | | 2.48 | 2.59 | 2.21 |
| | Total energy | | 6.94 | 6.95 | 6.43 |
| Emissions | | | | | |
| GHG emissions (tonnes) | | | | | |
| Scope 1 | From direct energy sources | | 101,149 | 102,060 | 107,220 |
| Scope 2 | From indirect energy sources | | 88,877 | 87,217 | 67,370 |
| | Total Scope 1 + 2 GHG emissions | | 190,026 | 189,276 | 174,591 |
| Scope 3 | Business travel | | 10,056 | 11,102 | 12,303 |
| | Employee commuting | | 15,296 | 15,756 | 16,530 |
| | Packaging of finished products ² | | 55,605 | 58,249 | 58,575 |
| | Upstream transportation and distribution ² | | 23,196 | 25,356 | 26,347 |
| | Outbound product to customers ² | | 30,879 | 31,431 | 32,844 |
| | Outbound intercompany deliveries ² | | 11,813 | 15,802 | 12,717 |
| | Waste generated in operations | | 15,369 | 16,748 | 16,094 |
| | Fuel and energy related activities | | 79,110 | 79,505 | 62,921 |
| | Raw materials ² | | 1,059,883 | 1,138,972 | 1,232,676 |
| | Indirect materials & services (excluding packaging) ² | | 143,569 | 137,860 | 156,186 |
| | Capital goods ² | | 48,696 | 42,927 | 69,611 |
| | Total Scope 3 GHG emissions | | 1,493,472 | 1,573,708 | 1,696,804 |
| | Total GHG emissions | | 1,683,497 | 1,762,984 | 1,871,395 |
| GHG emissions efficiency³ (tonnes of GHG/tonne of production) | Scope 1: from direct energy sources | | 0.26 | 0.26 | 0.24 |
| | Scope 2: from indirect energy sources | | 0.23 | 0.22 | 0.15 |
| | Total GHG emissions | | 0.50 | 0.48 | 0.39 |
| Waste | | | | | |
| Hazardous waste (tonnes) | Incinerated | | 8,557 | 9,543 | 8,956 |
| | Incinerated with energy recovery ⁴ | | 4,132 | 3,988 | 4,178 |
| | Landfilled | | 318 | 108 | 104 |
| | Recycled | | 17,357 | 16,744 | 17,258 |
| | Total hazardous waste | | 26,232 | 26,395 | 26,318 |
| Non-hazardous waste (tonnes) | Incinerated | | 2,230 | 2,544 | 2,707 |
| | Incinerated with energy recovery ⁴ | | 1,076 | 719 | 424 |
| | Landfilled | | 6,412 | 6,704 | 6,892 |
| | Recycled | | 27,826 | 28,574 | 32,459 |
| | Total non-hazardous waste | | 36,468 | 37,823 | 42,058 |
| | Total incinerated and land-filled waste (HZ and NHZ) | | 17,517 | 18,900 | 18,659 |
| One-off waste (tonnes) | | 2,219 | 1,367 | 4,183 | |
| Waste efficiency⁵ (tonnes of waste/tonne of production) | | 0.05 | 0.05 | 0.04 | |

| Key performance indicators | | 2009 (restated in 2017) | 2015 (restated in 2017) | 2016 (restated in 2017) | 2017 |
|---|---|-------------------------------|-------------------------------|-------------------------------|------------------|
| Water | | | | | |
| Water intake (m³) | Municipal water | 2,286,999 | 2,359,818 | 2,539,275 | 2,612,556 |
| | Ground water | 1,074,035 | 1,390,267 | 1,307,576 | 1,335,663 |
| | Total municipal and ground water | 3,361,034 | 3,750,085 | 3,846,852 | 3,948,219 |
| | Surface water | 7,432,649 | 5,006,361 | 5,225,273 | 4,925,910 |
| | Total water⁶ | 10,793,683 | 8,756,446 | 9,072,125 | 8,874,129 |
| Water efficiency⁷ (m³/tonne of production) | | 10.91 | 9.78 | 9.66 | 8.80 |
| Water discharge (m³) | To the environment w/o biological treatment | – | – | 4,634,189 | 4,260,564 |
| | To the environment after biological treatment | – | – | 2,005,856 | 2,029,078 |
| | To external treatment facility w/o pre-treatment | – | – | 416,126 | 558,236 |
| | To external treatment facility with pre-treatment | – | – | 1,703,562 | 1,633,523 |
| | Total discharged water | – | – | 8,759,733 | 8,481,401 |
| COD (tonnes) | Of waste water discharged to the environment | – | – | 488 | 608 |
| Other data | | | | | |
| | Nitrogen oxides – NO _x tonnes ⁸ | – | – | 80.81 | 87.86 |
| | Sulphur dioxide – SO ₂ tonnes ⁸ | – | – | 0.99 | 1.00 |
| | VOC (Tonnes) | – | – | 521 | 468.92 |
| | CFC inventory (kg) | – | – | 11,688 | 11,662 |
| | CFC 11 equivalent inventory (kg) | – | – | 648 | 650 |
| | CFC loss-replacement (kg) | – | – | 1,335 | 772.90 |
| | CFC 11 equivalent loss/replacement (kg) | – | – | 73.44 | 42.38 |
| Production | | | | | |
| | Production quantities (tonnes) | 308,060.08 | 383,353.00 | 398,043.07 | 448,726.36 |

¹ Includes natural gas (0.0345 GJ/m³), light fuel (36.12 GJ/m³), heavy fuel (39.77 GJ/m³), liquid petroleum gas (22.65 GJ/m³), town gas (0.0186 GJ/m³).

² These numbers do not include data from our production site in Volketswil.

³ Includes only Scope 1 and Scope 2.

⁴ Among the quantity of HW and non-HW incinerated, this is the quantity incinerated with energy recovery (in tonnes) on condition that at least 75% of energy is recovered.

⁵ Includes incinerated and landfilled waste (HZ and NHZ).

⁶ Includes sanitary, cooling and process water.

⁷ Includes municipal and ground water.

⁸ Quantity is calculated by multiplying the annual fuel consumption by the corresponding emission factor for fuel type.

Performance indicators – restatement table

| Key performance indicators | | 2009 (as published in 2016 SR) | 2009 (restated in 2017) | % change 2009 |
|---|---|--------------------------------------|-------------------------------|------------------|
| Energy | | | | |
| Energy (GJ) | Direct energy (from primary sources) | | | |
| | Indirect energy: purchased electricity & steam | | | |
| | Total energy | | | |
| Energy efficiency (GJ/tonne of production) | Direct energy efficiency | | | |
| | Indirect energy efficiency | | | |
| | Total energy | | | |
| Emissions | | | | |
| GHG emissions (tonnes)¹ | | | | |
| Scope 1 | From direct energy sources | | | |
| Scope 2 | From indirect energy sources | | | |
| | Total Scope 1 + 2 GHG emissions | | | |
| Scope 3 ² | Business travel | | | |
| | Employee commuting | | | |
| | Packaging of finished products | | | |
| | Upstream transportation and distribution | | | |
| | Outbound product to customers | | | |
| | Outbound intercompany deliveries | | | |
| | Waste generated in operations | | | |
| | Fuel and energy related activities | | | |
| | Raw materials | | | |
| | Indirect materials & services (excluding packaging) | | | |
| | Capital goods | | | |
| | Total Scope 3 GHG emissions | | | |
| | Total GHG emissions | | | |
| GHG emissions efficiency (tonnes of GHG/tonne of production) | Scope 1: from direct energy sources | | | |
| | Scope 2: from indirect energy sources | | | |
| | Total GHG emissions | | | |

| 2015 (as published in 2016 SR) | 2015 (restated in 2017) | % change 2015 | 2016 (as published in 2016 SR) | 2016 (restated in 2017) | % change 2016 |
|--------------------------------------|-------------------------------|------------------|--------------------------------------|-------------------------------|------------------|
| 1,710,783 | 1,708,571 | -0.13% | 1,738,381 | 1,738,392 | 0.00% |
| 951,669 | 950,117 | -0.16% | 1,014,835 | 1,029,408 | 1.44% |
| 2,662,452 | 2,658,689 | -0.14% | 2,753,216 | 2,767,799 | 0.53% |
| 4.46 | 4.46 | | 4.37 | 4.37 | 0.02% |
| 2.48 | 2.48 | | 2.55 | 2.59 | 1.45% |
| 6.94 | 6.94 | | 6.92 | 6.95 | 0.54% |
| 99,865 | 101,149 | 1.29% | 100,592 | 102,060 | 1.46% |
| 86,032 | 88,877 | 3.31% | 82,054 | 87,217 | 6.29% |
| 185,897 | 190,026 | 2.22% | 182,646 | 189,276 | 3.63% |
| 9,790 | 10,056 | 2.72% | | | |
| 14,900 | 15,296 | 2.66% | | | |
| 50,586 | 55,605 | 9.92% | 53,230 | 58,249 | 9.43% |
| 31,322 | 23,196 | -25.94% | 27,470 | 25,356 | -7.70% |
| 32,370 | 30,879 | -4.61% | 34,439 | 31,431 | -8.73% |
| 12,416 | 11,813 | -4.86% | 16,552 | 15,802 | -4.53% |
| 15,135 | 15,369 | 1.55% | 16,480 | 16,748 | 1.63% |
| 78,136 | 79,110 | 1.25% | 78,626 | 79,505 | 1.12% |
| 978,000 | 1,059,883 | 8.37% | 1,057,000 | 1,138,972 | 7.76% |
| 141,000 | 143,569 | 1.82% | 135,000 | 137,860 | 2.12% |
| 48,000 | 48,696 | 1.45% | 42,000 | 42,927 | 2.21% |
| 1,411,655 | 1,493,472 | 5.80% | 1,487,655 | 1,573,708 | 5.78% |
| 1,597,552 | 1,683,497 | 5.38% | 1,670,301 | 1,762,984 | 5.55% |
| 0.26 | 0.26 | 1.38% | 0.25 | 0.26 | 1.48% |
| 0.22 | 0.23 | 3.41% | 0.21 | 0.22 | 6.31% |
| 0.48 | 0.50 | 2.32% | 0.46 | 0.48 | 3.65% |

| Key performance indicators | | 2009 (as published in 2016 SR) | 2009 (restated in 2017) | % change 2009 |
|---|---|--------------------------------------|-------------------------------|------------------|
| Waste | | | | |
| Hazardous waste (tonnes) | Incinerated | | | |
| | Incinerated with energy recovery | | | |
| | Landfilled | | | |
| | Recycled ³ | | | |
| | Total hazardous waste | | | |
| Non-hazardous waste (tonnes) | Incinerated | | | |
| | Incinerated with energy recovery | | | |
| | Recycled | | | |
| | Total non-hazardous waste | | | |
| Total incinerated and landfilled waste (HZ and NHZ) | | | | |
| Waste efficiency (tonnes of waste/tonne of production) | | 0.00 | 0.00 | |
| Water | | | | |
| Water intake (m³) | Municipal water | 2,290,556 | 2,286,999 | -0.16% |
| | Ground water ⁴ | 1,136,049 | 1,074,035 | -5.46% |
| | Total municipal and ground water | 3,426,606 | 3,361,034 | -1.91% |
| | Total water | 10,859,255 | 10,793,683 | -0.60% |
| Water efficiency (m³/ tonne of production) | | 11.11 | 10.91 | -1.75% |
| Water discharge (m³) | To external treatment facility w/o pre-treatment ⁵ | | | |
| | Total discharged water | | | |
| Other data | | | | |
| | Nitrogen oxides – NO _x tonnes | | | |
| | Sulphur dioxide – SO ₂ tonnes ⁶ | | | |
| | CFC inventory (kg) | | | |
| | CFC 11 equivalent inventory (kg) | | | |
| | CFC 11 equivalent loss/replacement (kg) | | | |
| Production | | | | |
| | Production quantities (tonnes) | 308,559.52 | 308,060.08 | -0.16% |

¹ GHG emissions for Scope 1, 2 & 3 increased in 2015 and 2016 after recalculating the baseline to include the impact from acquired manufacturing facilities in global Givaudan figures.

² Scope 3 GHG emissions for upstream and outbound transports have decreased by 26% and 7% respectively in 2015 and 2016 due to a refined calculation methodology. Paths have been better simulated conducting to reduce the total covered distances.

³ About 2,300 tonnes of by-product were reclassified as hazardous waste recycled in 2015 and 2016 after internal site audit conducted.

⁴ Following Givaudan's new integration in sustainability reporting principles, the baseline for water efficiency has been recalculated excluding 130 MI which reduce the overall amount of water consumption by 0.6% in the same year.

⁵ The water discharged to external treatment facility without pre-treatment reported in 2016 in one of our manufacturing site did not include domestic water usage. A total of 14,000 m³ of water has been added to 2016 amounts after identifying this issue.

⁶ During the data review an error was identified in the SO₂ emissions calculation which increased the total emission by 30.5 kg.



Disclosure 102 – 48, pages 61 – 64

| 2015 (as published in 2016 SR) | 2015 (restated in 2017) | % change 2015 | 2016 (as published in 2016 SR) | 2016 (restated in 2017) | % change 2016 |
|--------------------------------------|-------------------------------|------------------|--------------------------------------|-------------------------------|------------------|
| 8,677 | 8,557 | -1.38% | 9,489 | 9,543 | 0.58% |
| 4,252 | 4,132 | -2.82% | 4,093 | 3,988 | -2.56% |
| | | | 108 | 108 | -0.03% |
| 14,997 | 17,357 | 15.74% | 14,384 | 16,744 | 16.41% |
| 23,992 | 26,232 | 9.34% | 23,981 | 26,395 | 10.07% |
| 2,253 | 2,230 | -1.04% | 2,541 | 2,544 | 0.12% |
| 1,100 | 1,076 | -2.14% | 716 | 719 | 0.43% |
| 27,840 | 27,826 | -0.05% | 28,578 | 28,574 | -0.01% |
| 36,505 | 36,468 | -0.10% | 37,824 | 37,823 | 0.00% |
| 17,661 | 17,517 | -0.81% | 18,843 | 18,900 | 0.31% |
| 0.05 | 0.05 | -0.71% | 0.05 | 0.05 | 0.32% |
| 2,363,071 | 2,359,818 | -0.14% | 2,524,905 | 2,539,275 | 0.57% |
| 3,753,338 | 3,750,085 | -0.09% | 3,832,481 | 3,846,852 | 0.37% |
| 8,759,699 | 8,756,446 | -0.04% | 9,057,754 | 9,072,125 | 0.16% |
| 9.78 | 9.78 | 0.01% | 9.63 | 9.66 | 0.39% |
| | | | 401,784 | 416,126 | 3.57% |
| | | | 8,745,392 | 8,759,733 | 0.16% |
| | | | 80.19 | 80.81 | 0.78% |
| | | | 0.96 | 0.99 | 3.17% |
| | | | 11,639 | 11,688 | 0.42% |
| | | | 645 | 648 | 0.47% |
| | | | 73.44 | 73.44 | 0.00% |
| 383,728.10 | 383,353.00 | -0.10% | 398,103.70 | 398,043.07 | -0.02% |

The principles of the UN Global Compact

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

Human rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights

Principle 2

Make sure that they are not complicit in human rights abuses

Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4

The elimination of all forms of forced and compulsory labour

Principle 5

The effective abolition of child labour

Principle 6

The elimination of discrimination in respect of employment and occupation

Environment

Principle 7

Businesses are asked to support a precautionary approach to environmental challenges

Principle 8

Undertake initiatives to promote greater environmental responsibility

Principle 9

Encourage the development and diffusion of environmentally friendly technologies

Anti-corruption

Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery




















For more information:
www.unglobalcompact.org

The Sustainable Development Goals

Sustainable development calls for concerted efforts towards building an inclusive and sustainable future for people and planet.

The Sustainable Development Goals (SDGs), adopted by the United Nations and entered into force on 1 January 2016, build on the success of the Millennium Development Goals (MDGs). The ambitious goals shall be achieved by 2030 through effective action taken through both the public and private sector in all countries.

| | | | | | |
|--|--|---|---|---|--|
|  <p>1 NO POVERTY</p> | <p>Goal 1: End poverty in all its forms everywhere</p> |  <p>7 AFFORDABLE AND CLEAN ENERGY</p> | <p>Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all</p> |  <p>13 CLIMATE ACTION</p> | <p>Goal 13: Take urgent action to combat climate change and its impacts</p> |
|  <p>2 ZERO HUNGER</p> | <p>Goal 2: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p> |  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <p>Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all</p> |  <p>14 LIFE BELOW WATER</p> | <p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources</p> |
|  <p>3 GOOD HEALTH AND WELL-BEING</p> | <p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p> |  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> | <p>Goal 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation</p> |  <p>15 LIFE ON LAND</p> | <p>Goal 15: Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss</p> |
|  <p>4 QUALITY EDUCATION</p> | <p>Goal 4: Ensure inclusive and quality education for all and promote lifelong learning</p> |  <p>10 REDUCED INEQUALITIES</p> | <p>Goal 10: Reduce inequality within and among countries</p> |  <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> | <p>Goal 16: Promote just, peaceful and inclusive societies</p> |
|  <p>5 GENDER EQUALITY</p> | <p>Goal 5: Achieve gender equality and empower all women and girls</p> |  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> | <p>Goal 11: Make cities inclusive, safe, resilient and sustainable</p> |  <p>17 PARTNERSHIPS FOR THE GOALS</p> | <p>Goal 17: Revitalize the global partnership for sustainable development</p> |
|  <p>6 CLEAN WATER AND SANITATION</p> | <p>Goal 6: Ensure access to water and sanitation for all</p> |  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> | <p>Goal 12: Ensure sustainable consumption and production patterns</p> | | |

✓ SDGs Givaudan explicitly contributes to according to its mapping of material issues (see pages 25 to 26).

For more information:
www.un.org/sustainabledevelopment

GRI Content Index



| GRI Standard and Disclosure ¹ | Page ² | External assurance | UNGC Principles | SDG |
|--|-----------------------------------|--------------------|-----------------|-------------|
| GRI 101: Foundation | | | | |
| GRI 102: General Disclosures | | | | |
| Organisational profile | | | | |
| GRI 102 – 1: Name of the organisation | AR 60 | yes, pages 73 & 74 | | |
| GRI 102 – 2: Activities, brands, products, and services | AR 60 | yes, pages 73 & 74 | | |
| GRI 102 – 3: Location of headquarters | AR 60 | yes, pages 73 & 74 | | |
| GRI 102 – 4: Location of operations | AR 175–179 | yes, pages 73 & 74 | | |
| GRI 102 – 5: Ownership and legal form | AR 60 | yes, pages 73 & 74 | | |
| GRI 102 – 6: Markets served | AR Cover flap | yes, pages 73 & 74 | | |
| GRI 102 – 7: Scale of the organisation | AR Cover flap, 32 | yes, pages 73 & 74 | | |
| GRI 102 – 8: Information on employees and other workers | AR 45 | yes, pages 73 & 74 | Principle 6 | Goal 8 |
| GRI 102 – 9: Supply chain | AR 42, 43 | yes, pages 73 & 74 | | |
| GRI 102 – 10: Significant changes to the organisation and its supply chain | AR 4, 5, 42, 43 | yes, pages 73 & 74 | | |
| GRI 102 – 11: Precautionary Principle or approach | AR 49–52 | yes, pages 73 & 74 | | Goal 12, 13 |
| GRI 102 – 12: External initiatives | SR 15, 16 | yes, pages 73 & 74 | Principle 1 | |
| GRI 102 – 13: Membership of associations | SR 17, 18 | yes, pages 73 & 74 | | |
| Strategy | | | | |
| GRI 102 – 14: Statement from senior decision-maker | SR 5–7 | yes, pages 73 & 74 | | |
| GRI 102 – 15: Key impacts, risks and opportunities | SR 1, 11–14 | yes, pages 73 & 74 | | |
| Ethics and integrity | | | | |
| GRI 102 – 16: Values, principles, standards, and norms of behaviour | AR 53–55 | yes, pages 73 & 74 | Principle 10 | Goal 5 |
| Governance | | | | |
| GRI 102 – 18: Governance structure | AR 63–75, SR 10 | yes, pages 73 & 74 | | |
| Stakeholder engagement | | | | |
| GRI 102 – 40: List of stakeholder groups | SR 22 | yes, pages 73 & 74 | | |
| GRI 102 – 41: Collective bargaining agreements | AR 44 | yes, pages 73 & 74 | Principle 3 | Goal 8 |
| GRI 102 – 42: Identifying and selecting stakeholders | SR 21 | yes, pages 73 & 74 | | |
| GRI 102 – 43: Approach to stakeholder engagement | SR 22 | yes, pages 73 & 74 | | |
| GRI 102 – 44: Key topics and concerns raised | SR 22 | yes, pages 73 & 74 | | |
| Reporting practice | | | | |
| GRI 102 – 45: Entities included in the consolidated financial statements | AR 61, 101, 148 | yes, pages 73 & 74 | | |
| GRI 102 – 46: Defining report content and topic Boundaries | SR 23 | yes, pages 73 & 74 | | |
| GRI 102 – 47: List of material topics | SR 25, 26 | yes, pages 73 & 74 | | |
| GRI 102 – 48: Restatements of information | SR 61–64 | yes, pages 73 & 74 | | |
| GRI 102 – 49: Changes in reporting | SR 23 | yes, pages 73 & 74 | | |
| GRI 102 – 50: Reporting period | SR 2 | yes, pages 73 & 74 | | |
| GRI 102 – 51: Date of most recent report | SR 2 | yes, pages 73 & 74 | | |
| GRI 102 – 52: Reporting cycle | SR 2 | yes, pages 73 & 74 | | |
| GRI 102 – 53: Contact point for questions regarding the report | SR 2 | yes, pages 73 & 74 | | |
| GRI 102 – 54: Claims of reporting in accordance with the GRI Standards | SR 2 | yes, pages 73 & 74 | | Goal 12 |
| GRI 102 – 55: GRI Content Index | SR 67–72 | yes, pages 73 & 74 | | Goal 12 |
| GRI 102 – 56: External assurance | SR 73, 74 | yes, pages 73 & 74 | | Goal 12 |

| GRI Standard and Disclosure | Page/Omission | External assurance | UNGC Principles | SDG |
|---|---------------------------|--|---------------------|------------------------|
| GRI 200: Economic | | | | |
| GRI 201: Economic performance | | | | Goal 8, 9 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 14, 15, 32 – 35</u> | yes, assured as part of audit of Financial report 2017, page 150 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 14, 15, 32 – 35</u> | yes, assured as part of audit of Financial report 2017, page 150 | | |
| GRI 201 – 1: Direct economic value generated and distributed | <u>AR 32</u> | yes, assured as part of audit of Financial report 2017, page 150 | | |
| GRI 201 – 3: Defined benefit plan obligations and other retirement plans | <u>AR 123 – 128</u> | yes, assured as part of audit of Financial report 2017, page 150 | | |
| GRI 202: Market presence | | | | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 33 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 46</u> | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 46</u> | yes, pages 73 & 74 | | |
| GRI 202 – 1: Ratios of standard entry level wage by gender compared to local minimum wage | Omitted ³ | yes, pages 73 & 74 | | |
| GRI 203: Indirect economic impacts | | | | Goal 2, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 30 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 40, 41 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 40, 41 | yes, pages 73 & 74 | | |
| GRI 203 – 1: Infrastructure investments and services supported | SR 40, 41 | yes, pages 73 & 74 | | |
| GRI 204: Procurement practices | | | | Goal 12, 13, 15 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 28, 31, 32 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 37 – 41 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 37 – 41 | yes, pages 73 & 74 | | |
| GRI 204 – 1: Proportion of spending on local suppliers | SR 38 | yes, pages 82 & 83 | | |
| GRI 205: Anti-corruption | | | Principle 10 | Goal 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 31 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 54, 55</u> | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 54, 55</u> | yes, pages 73 & 74 | | |
| GRI 205 – 2: Communication and training about anti-corruption policies and procedures | <u>AR 55</u> | yes, pages 73 & 74 | | |
| GRI 300: Environmental | | | | |
| GRI 301: Materials | | | | Goal 12, 15 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 28, 30, 31 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 55 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 55 | yes, pages 73 & 74 | | |
| GRI 301 – 1: Materials used by weight or volume | SR 55 | yes, pages 73 & 74 | | |

| GRI Standard and Disclosure | Page/Omission | External assurance | UNGC Principles | SDG |
|--|---------------|--------------------|--------------------------|-----------------------|
| GRI 302: Energy | | | Principle 7, 8, 9 | Goal 12, 13 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 27, 30 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 48 – 51 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 48 – 51 | yes, pages 73 & 74 | | |
| GRI 302 – 1: Energy consumption within the organisation | SR 51 | yes, pages 73 & 74 | | |
| GRI 302 – 3: Energy intensity | SR 51 | yes, pages 73 & 74 | | |
| GRI 302 – 4: Reduction of energy consumption | SR 51 | yes, pages 73 & 74 | | |
| GRI 303: Water | | | | Goal 6, 12 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 33 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 52 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 52 | yes, pages 73 & 74 | | |
| GRI 303 – 1: Water withdrawal by source | SR 53 | yes, pages 73 & 74 | | |
| GRI 304: Biodiversity | | | | Goal 2, 15 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 27 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 56 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 56 | yes, pages 73 & 74 | | |
| GRI 304 – 2: Significant impacts of activities, products, and services on biodiversity | SR 56 | yes, pages 73 & 74 | | |
| GRI 305: Emissions | | | Principle 7, 8 | Goal 3, 12, 13 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 27, 30 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 48 – 51 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 48 – 51 | yes, pages 73 & 74 | | |
| GRI 305 – 1: Direct (Scope 1) GHG emissions | SR 49 | yes, pages 73 & 74 | | |
| GRI 305 – 2: Energy indirect (Scope 2) GHG emissions | SR 49 | yes, pages 73 & 74 | | |
| GRI 305 – 3: Other indirect (Scope 3) GHG emissions | SR 50 | yes, pages 73 & 74 | | |
| GRI 305 – 4: GHG emissions intensity | SR 49 | yes, pages 73 & 74 | | |
| GRI 305 – 5: Reduction of GHG emissions | SR 47, 49 | yes, pages 73 & 74 | | |
| GRI 305 – 6: Emissions of ozone-depleting substances (ODS) | SR 50 | yes, pages 73 & 74 | | |
| GRI 305 – 7: Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions | SR 50 | yes, pages 73 & 74 | | |
| GRI 306: Effluents and waste | | | Principle 8 | Goal 6, 12 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 32, 33 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 53, 54 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 53, 54 | yes, pages 73 & 74 | | |
| GRI 306 – 1: Water discharge by quality and destination | SR 53 | yes, pages 73 & 74 | | |
| GRI 306 – 2: Waste by type and disposal method | SR 54 | yes, pages 73 & 74 | | |
| GRI 308: Supplier environmental assessment | | | Principle 8 | Goal 12, 13 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 28, 31, 33 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 308 – 1: New suppliers screened using environmental criteria | SR 39 | yes, pages 73 & 74 | | |

| GRI Standard and Disclosure | Page/Omission | External assurance | UNGC Principles | SDG |
|--|----------------------|--------------------|--------------------|------------------|
| GRI 400: Social | | | | |
| Access to food | | | | Goal 2 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 27 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 27 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 27 | yes, pages 73 & 74 | | |
| GRI 401: Employment | | | Principle 6 | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 32 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | AR 44 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | AR 44 | yes, pages 73 & 74 | | |
| GRI 401 – 1: New employee hires and employee turnover | AR 45 | yes, pages 73 & 74 | | |
| GRI 402: Labour/management relations | | | Principle 3 | Goal 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 30 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | AR 44 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | AR 44 | yes, pages 73 & 74 | | |
| GRI 402 – 1: Minimum notice periods regarding operational changes | AR 44 | yes, pages 73 & 74 | | |
| GRI 403: Occupational health and safety | | | | Goal 3, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | AR 47, 48 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | AR 47, 48 | yes, pages 73 & 74 | | |
| GRI 403 – 2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | AR 48 | yes, pages 73 & 74 | | |
| GRI 404: Training and education | | | Principle 6 | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 32 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | AR 44 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | AR 44 | yes, pages 73 & 74 | | |
| GRI 404 – 3: Percentage of employees receiving regular performance and career development reviews | AR 46 | yes, pages 73 & 74 | | |
| GRI 405: Diversity and equal opportunity | | | Principle 6 | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 28, 32, 33 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | AR 46 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | AR 46 | yes, pages 73 & 74 | | |
| GRI 405 – 1: Diversity of governance bodies and employees | AR 46 | yes, pages 73 & 74 | | |
| GRI 405 – 2: Ratio of basic salary and remuneration of women to men | AR 46 | yes, pages 73 & 74 | | |
| GRI 406: Non-discrimination | | | | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 28, 29, 33 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | AR 46 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | AR 46 | yes, pages 73 & 74 | | |
| GRI 406 – 1: Incidents of discrimination and corrective actions taken | Omitted ³ | yes, pages 73 & 74 | | |

| GRI Standard and Disclosure | Page/Omission | External assurance | UNGC Principles | SDG |
|---|-----------------------------------|--------------------|--------------------------|------------------|
| GRI 407: Freedom of association and collective bargaining | | | | Goal 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 44</u> , SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 44</u> , SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 407 – 1: Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | <u>AR 44</u> , SR 39 | yes, pages 73 & 74 | | |
| GRI 408: Child labour | | | Principle 5 | Goal 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 53 – 55</u> , SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 53 – 55</u> , SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 408 – 1: Operations and suppliers at significant risk for incidents of child labour | <u>AR 55</u> , SR 39 | yes, pages 73 & 74 | | |
| GRI 409: Forced or compulsory labour | | | | Goal 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 53 – 55</u> , SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 53 – 55</u> , SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 409 – 1: Operations and suppliers at significant risk for incidents of forced or compulsory labour | <u>AR 55</u> , SR 39 | yes, pages 73 & 74 | | |
| GRI 412: Human rights assessment | | | | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 53 – 55</u> | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 53 – 55</u> | yes, pages 73 & 74 | | |
| GRI 412 – 1: Operations that have been subject to human rights reviews or impact assessments | <u>AR 55</u> | yes, pages 73 & 74 | | |
| GRI 413: Local communities | | | Principle 1 | Goal 2 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 30 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 55</u> | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 55</u> | yes, pages 73 & 74 | | |
| GRI 413 – 1: Operations with local community engagement, impact assessments, and development programmes | <u>AR 15</u> | yes, pages 73 & 74 | | |
| GRI 414: Supplier social assessment | | | Principle 1, 2, 4 | Goal 5, 8 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 29, 30, 31 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | SR 37 – 40 | yes, pages 73 & 74 | | |
| GRI 414 – 1: New suppliers that were screened using social criteria | SR 39 | yes, pages 73 & 74 | | |

| GRI Standard and Disclosure | Page/Omission | External assurance | UNGC Principles | SDG |
|--|------------------|--------------------|-----------------|----------------------|
| GRI 416: Customer health and safety | | | | Goal 3, 9, 12 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 28, 31 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 56, 57</u> | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 56, 57</u> | yes, pages 73 & 74 | | |
| GRI 416 – 1: Assessment of the health and safety impacts of product and service categories | <u>AR 57</u> | yes, pages 73 & 74 | | |
| GRI 417: Marketing and labelling | | | | Goal 12 |
| GRI 103: Management Approach | | | | |
| GRI 103 – 1: Explanation of the material topics and its Boundary | SR 31 | yes, pages 73 & 74 | | |
| GRI 103 – 2: The management approach and its components | <u>AR 57</u> | yes, pages 73 & 74 | | |
| GRI 103 – 3: Evaluation of the management approach | <u>AR 57</u> | yes, pages 73 & 74 | | |
| GRI 417 – 1: Requirements for product and service information and labelling | <u>AR 57</u> | yes, pages 73 & 74 | | |

¹ All GRI Standards used for the preparation of this report were published in 2016.

² AR – Annual Report 2017
SR – Sustainability Report 2017

³ This disclosure is omitted because the information is unavailable. Since the disclosure is new to Givaudan's materiality matrix, we will evaluate how to gain the relevant data on a consolidated basis in the future.

 Disclosure 102 – 55, pages 67 – 72

Independent Assurance Statement



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Independent Assurance Statement

Ernst & Young LLP (EY) has been engaged by Givaudan S. A. (the 'Company') to provide independent assurance to its GRI Report 2017 (the 'Report') covering the Company's sustainability performance during the period 1st January 2017 to 31st December 2017.

The development of the Report, based on GRI Sustainability Reporting Standards (GRI Standards) of the Global Reporting Initiative, its content and presentation is sole responsibility of the management of the Company. EY's responsibility, as agreed with the management of the Company, is to provide independent assurance on the report content as described in the scope of assurance. Our responsibility in performing our assurance activities is to the management of the Company only and in accordance with the terms of reference agreed with the Company. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organization. Any dependence that any such third party may place on the Report is entirely at its own risk. The assurance report should not be taken as a basis for interpreting the Company's overall performance, except for the aspects mentioned in the scope below.

Assurance standard

Our assurance is in accordance with International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000), and our conclusions are for 'limited' assurance as set out in ISAE 3000.

Scope of assurance and methodology

The scope of our work for this engagement was limited to review of information pertaining to environmental and social performance for the period 1st January 2017 to 31st December 2017. We conducted review and verification of data collection/ measurement methodology and general review of the logic of inclusion/ omission of necessary relevant information / data and this was limited to:

- Review of the standard disclosures regarding the company's material sustainability aspects contained in the report;
- Review of consistency of data / information within the report as well as between the report and source;
- Verification of the sample data and information reported at the following manufacturing units and corporate headquarter at Vernier, Switzerland:
 1. Jigani, India
 2. Nantong, China
 3. Fukuroi, Japan
 4. Itasca, USA
 5. Daman, India
 6. Woodland, Singapore
 7. Jurong, Singapore
 8. Pioneer, Singapore
 9. Munro, Argentina
 10. Malvinas, Argentina
 11. Ashford, UK
 12. Pomacle, France
- Review and execution of audit trail of selected claims and data streams to determine the level of accuracy in collection, transcription and aggregation processes followed;



- Review of Company's plans, policies and practices, so as to be able to make comments on the completeness of the reporting and degree to which EY believes the report provides a fair and honest representation of the Company's activities.

Limitations of our engagement

The assurance scope excludes:

- Data and information outside the defined reporting period (1st January 2017 to 31st December 2017);
- The 'economic performance indicators' included in the Report;
- The Company's statements that describe expression of opinion, belief, inference, aspiration, expectation, aim or future intention.

Our assurance team and independence

Our assurance team, comprising of multidisciplinary professionals, has been drawn from our Climate Change and Sustainability network, and undertakes similar engagements with various Indian and international companies. As an assurance provider, EY is required to comply with the independence requirements set out in International Federation of Accountants (IFAC) Code of Ethics for Professional Accountants. EY's independence policies and procedures ensure compliance with the Code.

Observations and opportunities for improvement

During the review process, we observed that:

- ▶ The Company continues to demonstrate its commitment on improving sustainability performance by releasing its Sustainability Report as per the "in-accordance" core criteria of the GRI Standards of the Global Reporting Initiative. The Company has revisited its material issues and mapped them with relevant UN's Sustainable Development Goals (SDGs). The Report adequately provides information on revised sustainability strategy, targets performance indicators under the aspects identified as material.
- ▶ At the selected sites visited, improvement has been observed regarding monitoring and compilation of environmental and social performance data. Going forward, the Company may further strengthen its system for improving the accuracy of the data pertaining to 302-1 (Energy consumption within the organization), 306-1 (Waste water discharged) and 306-2 (Waste by type and disposal method).

Conclusion

On the basis of our procedures for this limited assurance, nothing has come to our attention that causes us not to believe that the Company has reported on material sustainability issues and associated key performance indicators significant to its business and its stakeholders.

Ernst & Young LLP

Chaitanya Kalia
Partner
Dated: 08/03/2018
Place: Gurgaon, India

Overview of annual publications



Online 2017 Annual Report

Available in English

- From 26 January 2018
- www.givaudan.com – investors – online annual report

Content

Online overview of our financial and business performance, Governance and Compensation, as well as our business enablers, stories and a full download centre.



2017 Annual Report

Available in English

- PDF from 26 January 2018
- Print from 22 March 2018
- www.givaudan.com – media – publications

Content

The full Annual Report: Strategic value creation, Performance review, Governance and Compensation, and the Financial Report.



2017 Highlights

Available in English, French and German

- PDF and print from 22 March 2018
- www.givaudan.com – media – publications

Content

Business and financial highlights in addition to the Chairman and CEO reviews and the highlights of the Governance and Compensation reports.



2017 Sustainability Report

Available in English

- PDF from 20 March 2018
- www.givaudan.com – sustainability – publications

Content

Management and performance information on our environmental, social and economic impacts.

To order publications:

www.givaudan.com – media – publications

Givaudan Foundation

2017 Annual Report

Available in English

PDF from 22 March 2018
www.givaudan-foundation.org

The Givaudan Foundation is a non-profit organisation created in 2013 as a result of Givaudan's desire to reinforce its commitment towards the communities in which it operates. The Foundation's purpose is to initiate and support projects as well as to grant donations in the areas defined by its vision and mission.

One of the causes supported by the Foundation is to safeguard the future of communities and their fragile environment. There is a specific focus on three areas in which Givaudan as a company is already engaged and where its expertise and experience can be leveraged to make a difference: communities at source, blindness and nutrition. The Givaudan Foundation works closely with and relies on resources provided by Givaudan to conduct and monitor its projects. The Foundation also operates with local partners to ensure the efficient deployment of projects and their relevance to those who are intended to benefit from them.

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This Sustainability Report may contain forward-looking information.
Such information is subject to a variety of significant uncertainties, including scientific, business, economic and financial factors. Therefore actual results may differ significantly from those presented in such forward-looking statements. Investors must not rely on this information for investment decisions.

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