

GRI Report 2014



Givaudan

engage your senses



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Profile disclosures

This section is intended to provide a high-level view of Givaudan’s strategy and governance related to sustainability. It also provides context for other sections of this report.

In this section:

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10	Organisational profile
19	Identified material aspects and boundaries
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Strategy and analysis

G4-1: Statement from the most senior decision-maker of the organisation

Leadership Q&A 2014

Operating responsibly at all levels of our organisation is an integral part of who we are. This is because our focus is not simply on success and profit, but rather on the sustainable business objectives of our customers and the shared global environment in which we operate. We place an emphasis on making a positive difference at every stage of our value chain by innovating, partnering and embedding the principles of responsibility in the way we work. Givaudan CEO Gilles Andrier, together with Head of Global Human Resources, EHS and Chair of Sustainability Joe Fabbri, discuss how placing sustainability at the heart of our business is key to being a responsible, forward looking organisation.

In 2014, Givaudan launched a new way of presenting itself to the world with a new brand identity that expresses an increased focus on customers and consumers. What impact has this had on the Company's approach to sustainability?

Joe Fabbri: Our new way of communicating, both visually and thematically, is all about conveying the impacts and benefits of what we do, across our entire business. These benefits primarily extend to our customers, and their consumers, as we aim to demonstrate the emotional importance of taste and smell in people's lives. We also believe we have strongly differentiated ourselves within the flavour and fragrance industry, with a dynamic, people-focused 'look and feel' and tone of voice. With regards to sustainability, this means communicating the positive differences we seek to make to people and places, while recognising the potential we have to make changes for

the broader benefit of our planet and society. A particular emphasis is now placed on responsible sourcing and sustainable innovation; responsible sourcing illustrates our efforts to be good guardians of the natural world, which we draw upon for many of our ingredients. Sustainable innovation enables us to do more with less, to create better products that impact the environment less, and perform more efficiently, which is what our customers ask of us. Via these two pillars we can foster far-reaching benefits that stretch beyond the boundaries of our own business.

Joe Fabbri mentioned the focus on responsible sourcing and sustainable innovation. What were the most notable areas of development for Givaudan during the year?

Gilles Andrier: We are proud of several key achievements, notably in the domain of science and technology. Our pioneering bioassay, Keratinosens™, was officially endorsed by the EU Reference Laboratory for Alternatives to Animal Testing (EURL ECVAM) as a standard for skin sensitisation testing. Our acquisition of Soliance, a leader in molecular bioscience for active cosmetic ingredients is an exciting addition to our in-house expertise.

We also showed our commitment to partnering for sustainable progress. For example, in March 2014, Givaudan co-sponsored a major AIM-PROGRESS event on responsible sourcing in conjunction with two of the world's leading FMCGs, Nestlé and Bacardi. In working so closely with AIM-PROGRESS we contribute in setting the agenda on responsible sourcing based on our customers' needs and desires. We emphasise to our suppliers the importance of the principles set down by AIM-PROGRESS' partner organisation, SEDEX (the Supplier Ethical Data Exchange), whose auditing policy is denoted in

SMETA (SEDEX Members Ethical Trade Audit), so that suppliers may comply with these guidelines. In 2014, we achieved a total registration of 293 suppliers to SEDEX, exceeding our original target set for 2015. 144 suppliers also undertook SMETA audits. These activities in 2014 show that sourcing was truly the key agenda item for all stakeholders, and our position within AIM-PROGRESS means we are now well positioned to be at the forefront of this dialogue.

How else did Givaudan deliver a positive difference in 2014?

Joe: Operationally, we are well on track with meeting our eco-efficiency targets. We are considerably ahead of our waste target, and our energy, water and CO₂ targets also show good progress against the 2009 baseline.

2009 Baseline ¹	Energy	Water	CO ₂	Waste
2020 Target	-20%	-15%	-25%	-15%
2014 Actual	-17.2%	-11.7%	-24.6%	-36.7%

¹ per tonne of product by 2020

Our efforts were further strengthened by the commendable work of our 80 global Green Teams. These groups of employees have been instrumental in creating local sustainability initiatives that impact our own performance, and that of our customers. In 2014, Green Team activities ranged from social and environmental projects locally, to eco-efficiency initiatives internally. The Leadership Board Green Team Awards recognise the collaborative and diligent nature of these projects, and in December 2014, three awards were presented to employee Green Teams that recognise initiatives from our Commercial and Manufacturing sites and for eco-efficiency projects.

Strategy and analysis

Continued

What progress has been made in terms of social impacts?

Gilles: In summer 2014, we launched the independent, non-profit Givaudan Foundation, reinforcing our Company's commitment to charitable causes, most notably within the communities where we are present. It enables us to take an integrated, global approach to charitable giving and philanthropic initiatives in areas with a strong connection to our business. The Foundation focuses on three main areas in which Givaudan is already engaged and where the Company's expertise and experience can be leveraged to make a difference: Communities at Source (support of local communities from which Givaudan sources natural ingredients), Blindness and Family Nutrition.

Joe: We want to create a working environment where people can thrive and develop their careers, over the longterm. To do this we engage our employees in open dialogue, and to this end, we have built on our Employee Engagement Survey (EES), undertaken end of 2013. In July 2014, we shared with our employees the three Global Priorities, which were formed out of a comprehensive analysis of the EES, namely: Career, Collaboration, and Inclusiveness. For Career, we are focusing on performance and development and encouraging recognition and reward for performance that goes above and beyond. For Collaboration, we are making it easier for employees to share knowledge and connect with others around the business. For Inclusiveness, we will focus on the diversity of our business in senior positions, and promote Givaudan's common values and ways of working. We will be tracking the progress of our commitments throughout this year and will update our employees on developments in 2015.

How did Givaudan's partnership approach develop in 2014, and how does this support our sustainability strategy, in terms of making a positive difference?

Gilles: Partnerships are the foundation of our sustainability strategy: by working in true partnership with our stakeholders and understanding their issues, we have adapted our priorities, recognising that what is critically important to our customers is also critically important to ourselves in order to provide solutions to our customers' challenges. Partner relationships are interwoven with our customers' commercial success as well as our own advances.

Our partnerships within engagement platforms, such as the Natural Resources Stewardship Circle (NRSC), and the Roundtable on Sustainable Palm Oil, and Alliance Francaise for Sustainable Palm Oil enable us to make progress within a global context. Sustainable palm oil both enables environmental protection and respects the needs of local people, and our partnerships are helping to catalyse our goals for achieving a certified supply chain. In 2014, we made progress in this area: in Europe, for example, we achieved 95% of the palm oils, fats and derivatives we source for our Flavour Division to be certified as Mass Balance. We are also now signatories to the Alliance Commitment Charter for 100% sustainable palm oil by 2020, showing our dedication to supporting sustainable initiatives and shaping the debate on greater sourcing responsibility industry-wide.

In this year's 2014 Sustainability Reporting Suite we progress from GRI 3.1 to G4: what does this change represent for our stakeholders?

Joe: Sustainability and transparency are essential to our various stakeholders and this new G4 report is coherent with our transparency standards. The G4 framework allows us to disclose information around issues that are of most importance

to Givaudan, in a way that is easy for people to assess and compare. This information is shared in our materiality matrix and verified in an external audit carried out by auditors Ernst & Young LLP, which as an independent third party, assess and validate our findings and attest to our activities on both a global and local level.

We also upgraded our sustainability communications and we are now moving away from a single annual report, downloadable as a PDF, to a more direct mode of communicating via our corporate website. This enables us to refresh and update our sustainability story in a more dynamic way, over the course of each year. We also believe that easier access to our reports and activities will help drive engagement around our sustainable activities among a non-specialist audience.

Looking ahead to the coming year, what's changing in Givaudan's world? What do you envisage as the big challenges in the flavour and fragrance sector?

Gilles: It is a given that there is an undercurrent of pressing sustainability issues that our industry, our clients and the world at large, need to address. These include managing resource scarcity across the globe and increasing demands on raw and natural materials. Resource scarcity of materials, fossil fuels and water is also informing the way in which we source and seek innovation. As a company we are developing new and ambitious targets for compaction, transportation, supply chain management and eco-efficiency. Undoubtedly, audiences in both developed and emerging nations are acutely aware of the need to create, purchase and produce products that are more sustainable. We have a part to play in meeting these widespread consumer aspirations.

Strategy and analysis

Continued

Joe: Within this context, and recognising the impact of the upcoming revisions to the Millennium Goals agenda, customers wish to understand the 'trade offs' of their choices at every stage of the supply chain. For instance, they are attempting to navigate the various responsible choices open to them and assess how they can positively impact their overall carbon footprint. As yet, there is no common industry standard for measuring the aggregate positive outcome of 'swapping out' the possible choices, and, as such these changes, however deep or beneficial, are currently hard to quantify for customers. These are the kinds of discussions we will be having with our partners, and the broader industrial community, over the coming years. What we do know is that everyone is voicing an immense desire to 'do something tangible'.

How will these trends and challenges shape Givaudan's approach to sustainability in 2015? What opportunities do you envisage at a local, global level, or with benefits to our customers and their consumers?

Gilles: 2015 will see us reach the end of our five-year strategy plan, from 2010-2015, which is well on course for a successful completion. Over the course of the year we will also be establishing a new strategic roadmap for the future, and our commitment to putting sustainability at the heart of the business will be formalised in those plans. In particular, the creation of the Givaudan Foundation this past year offers a formal structure with which we can provide greater support to environmental and social projects; we recognise that, in the areas where we operate and source, particularly in remote or rural regions, there is a real need for social and environmental support. I would also like to highlight our commitment to UNGC principles^{**}; Givaudan aligns with these ten principles through

our Sustainability programme, and our key commitments are to bring about positive change environmentally, and promote gender diversity.

Joe: Maintaining our industry leadership position with regards to our pioneering Origination programme represents a significant opportunity for us; here we are securing our long-term supply for important raw materials and deepening our relationships socially and economically with local growers and community farming networks. This work has been recognised by our customers and we are increasingly being asked to present our model to the broader supplier community.

^{**} United Nations Global Compact, a framework of ten principles for corporations to assess and improve their sustainability performance.

Our commitment to UNGC principles

Our Sustainability Report also acts as our UNGC annual Communication on Progress (COP). This is the fourth year running and this report has been prepared in accordance with the Global Reporting Initiative's G4 'Core' Sustainability Reporting Guidelines. Our report has been independently assured by Ernst & Young LLP.

We would like to express our continued strong support for the UNGC. We will continue working to make the UNGC and its principles part of the strategy, culture and day-to-day operations of our Company and do the same in the areas covered by our sphere of influence. We support public accountability and transparency, and therefore commit to reporting on progress annually according to the UNGC COP policy.

Strategy and analysis

Continued

G4-2: Description of key impacts, risks and opportunities

This contains two sections:

- Organisational key impacts
- Sustainability trends risks and opportunities

As a global company, we face many evolving sustainability challenges as well as numerous opportunities that may affect our business. These challenges and opportunities are formally captured in our materiality matrix (see page 19). Consequently, our Sustainability programme is based on a five-pillar strategy, which extends across the full life cycle of our business including Procurement, Employees, Innovation and development, Operations and Customers and markets. These pillars provide us with an overarching framework to drive sustainability principles right across and beyond our organisation. Each pillar represents one of the five crucial areas of our business. For each area, our combined teams have developed a challenging set of ultimate aspirations, which clearly show our desired end goal. The journey to get there will take a considerable amount of time but our commitment is a long-term one.

Strategy and analysis

Continued

	Procurement	Employees
Our vision	We source materials in ways that preserve our environment, stimulate the development and well-being of communities and safeguard the efficient use of precious resources.	We attract, develop and retain talented, creative professionals who feel passionate and proud of the work done in our Company and who are empowered to contribute to a sustainable society.
Our impact	– CHF 2,400 million annual procurement spend – More than 10,000 raw materials purchased annually – More than 2,000 raw material suppliers – More than 14,000 indirect materials and service suppliers	– 9,704 full-time employees – 88 local communities
Trends, risks and opportunities	– Global population is predicted to be 9.6 billion in 2050 in a medium-growth scenario. (1) This growth will place intense pressures on ecosystems and the supply of natural resources – As developing countries industrialise rapidly, global demand for material resources is increasing. It includes increased trade restrictions, price volatility and intense global competition for a range of material resources – Building trust with customers and consumers – Globally, more people live in urban areas than in rural areas, with 54% of the world's population residing in urban areas in 2014. In 1950, 30% of the world's population was urban, and by 2050, 66% of the world's population is projected to be urban(2)	– Every 15 seconds, a worker dies from a work-related accident or disease and 160 workers have a work-related accident(3) – Women account for half of the global labor supply and about 70% of the world's consumption demand. Yet women occupy only about 13% of top management positions (4) – At Givaudan, we have clear strategies on safety and security at work and on how to develop, attract and retain the best talents, both male and female
Our commitments	– Expanding our responsible sourcing initiatives ensures security of supply – Working with our suppliers on sustainability throughout our value chains contributes to our customers' increasing supply chain requirements – Conducting regular reviews of our portfolio and implementing improvements through our ethical sourcing initiatives – Gather information on the origin of our ingredients to contribute to regulatory requirements, food safety and issue management	– Work together with our local communities on projects and causes that benefit the communities where we work – Engage employees in making a positive difference – Embrace diversity throughout our organisation and create an engaged and inclusive workforce – Reduce incidents by strengthening workplace environment, safety behaviour and awareness – Extend the reach of annual performance and development discussions, enabling our people to get feedback and discuss their career goals – Develop visionary, inspiring and challenging leaders who will achieve our ambitious targets, and ensure our future success

Strategy and analysis

Continued

	Procurement	Employees
Our KPIs and progress in 2014	Communicate with all suppliers about procurement requirements relating to social responsibility – Vendor Expectation document revised to reflect supply chain risks such as anti-corruption, money laundering and human trafficking. This revised document has been communicated to all suppliers in 2014 Conduct audits with 200 of our top 400 suppliers by 2015; 200 of our top 400 suppliers to have joined the Sedex programme by 2015 – 144 suppliers have been audited, and 293 suppliers are now on Sedex (including Indirect Material & Services suppliers) Identify and develop additional ethical sourcing initiatives – Dedicated Origination team based in countries of origin to set up collection networks to source natural ingredients directly from producers Develop third-party certification projects for raw materials – Continued support to a cooperative of three villages and a local distiller to grow and distil certified ESR vetiver (according to Ecocert standards) Build 14 schools in Madagascar by 2014 – To date, we have been involved in the construction or repair and maintenance of 16 schools in Madagascar Other key achievements: – Evolution of partnership with AIM-PROGRESS from member in 2012 to workstream leader in 2013 to Leadership Team member as of January 2014 – Continued to source certified sustainable palm (kernel) oil and derivatives – Creation of a dedicated Origination team	Development of the Givaudan leadership framework with the implementation of the first two programmes by end of 2014 – 2014 kicked off the launch of Leadership Senses, our leadership programme aimed at developing our employees, from first-time managers to members of our executive community Investing in Green Team network and collaboration – Regional Green Team Forums held in EAME and NOAM regions attended by Site Green Team leaders and senior business leaders that will help develop an efficient exchange platform Senior leadership positions will represent the wider Givaudan workforce – The current percentage of female employees in Givaudan's senior leadership positions has increased to 20.4% in 2014, an improvement on last year's performance Lost time injury (LTI) rate below 0.1 by 2020 – Our LTI rate reduced by 65% against our 2009 baseline All populations in scope of annual performance and development discussions by end 2016 – At end of 2014 more than half of the employees had their annual performance and development plans in our Engage platform Build partnerships with non-profit organisations and work on charitable themes: blindness, family nutrition, supporting local communities – Continued support for charitable commitments Other key achievements: – Employees all over the world were introduced to our new brand with celebratory balloons, posters and presentations on each site – Our newly defined Employer Value Proposition (EVP) is currently being rolled out to current and potential employees

¹ UN – Department of Economic and Social Affairs – World Population Prospects: The 2012 Revision

² WWF Living planet report 2014

³ ILO: Safety and health at work

⁴ World Economic Forum's Global Gender Gap Report 2014 – Credit Suisse study: The CS Gender 3000: Women in Senior Management

Strategy and analysis

Continued

	Innovation and development	Operations	Customers and markets
Our vision	Givaudan leads in creating consumer-preferred flavours and fragrances that are designed and developed in line with sustainability principles in order to satisfy current and future needs.	We continuously drive operational excellence without compromising the environment or the health and well-being of our employees and the communities in which we operate.	We actively engage with our customers to ensure that all of our products promote the health and well-being of people and preserve our planet. We do this by encouraging our business partners to support our goals throughout the complete life cycle of their products.
Our impact	– CHF 405 million invested in R&D in 2014, 9.2% of revenue	– 34 production sites*, **,*** – More than 383,000 tonnes of product made in 2014 – 105,000 inbound deliveries – 334,000 outbound deliveries	– We have more than 6,000 customers – We receive in excess of 35,000 briefs each year from customers
Trends, risks and opportunities	– The market for Health and Wellness products is increasing due to growing consumer and government awareness of the obesity epidemic and other nutrition-related diseases such as diabetes – Climate change and resource depletion demand a proactive business response – Introduction of bans for the use of animal testing (e.g. 2013 ban on animal testing under the seventh amendment of the EU Cosmetics Directives) – Development of products which are more efficient to make, have fewer negative by-products, and minimise impact on the environment – Increasing regulations for the fragrances and flavour industry	– Climate change remains a global megaforce that directly impacts others. Released in November 2014, conclusions of the fifth IPCC assessment report confirmed increased likelihood of severe, pervasive and irreversible impacts for people and ecosystems (1) – Fossil fuel markets are likely to become more volatile and unpredictable because of higher global energy demand as well as changes in consumption patterns – It is predicted that by 2030, global demand on water will exceed supply by 40%. Business will be subject to water shortage, water quality decline and water price volatility (2)	– Many organisations are working together in groups and forums to make a positive impact on sustainability aspects like AIM-PROGRESS, NRSC and The Sustainability Consortium. For example, AIM-PROGRESS is a forum of consumer goods manufacturers and suppliers assembled to enable and promote responsible sourcing practices and sustainable production systems – Organisations are increasingly searching to understand their full supply chains and are requesting suppliers to provide data on environmental and social aspects
Our commitments	Continue to supply products which are safe for people and the environment: – Ensure Givaudan products are safe for people and the environment when used as intended – Full regulatory compliance of all products – Ensure our products are not persistent in the environment after their use – Reduce animal testing and develop alternative test methods Create superior products in a sustainable way: – Promote Health and Wellness through our products – Do more with less, promoting innovative design based on concentrated quality and compacted fragrances – Apply Green Chemistry principles	– Improve eco-efficiency of factory manufacturing sites with a focus on greenhouse gas emissions, waste and water and reduce our overall footprint against a 2009 baseline focusing on eco-efficiency for energy, carbon emissions, incinerated and land-filled waste and municipal and groundwater – Sustainable logistics offers opportunities to improve the efficiency through reduced fuel usage and therefore lower transport costs	Foster stakeholders partnerships to make progress together: – Collaborate to create responsible supply chains – Drive value for customer through superior products and services – Engage with customers to develop new technologies for healthier and sustainable products – Dialogue with stakeholders on priorities

Strategy and analysis

Continued

	Innovation and development	Operations	Customers and markets
Our KPIs and progress in 2014	Fragrance Division compliance with European REACH registrations as they become applicable in 2018 – Givaudan have prioritised their REACH phase-in registrations due in 2018. Work is on-going on over 100 key chemical substances which we either manufacture or import into the EU. As the programme progresses additional substances will be included KeratinoSens® to become a globally recognised standard in-vitro test for assessing skin sensitisation, with pending validation from the Organisation for Economic Co-operation and Development (OECD) by 2016 – KeratinoSens® received European Centre for the Validation of Alternative Methods (ECVAM) to animal testing approval in February 2014 and is now proposed for global OECD guideline – Dr Andreas Natsch was recognised for his outstanding contribution in industrial R&D and was awarded the KGF-SCS Industrial Investigator Awards 2014 from the Swiss Chemical Society (SCS) and the Contact Group for Research Matters (KGF) Enable our customers to develop healthier, great tasting products – Introduced TasteSolutions® Richness, our new taste technology which is revolutionising how we design flavours in Savoury and is also an approach that meets today's demands for health and wellness Other key achievements: – Acquisition of Soliance with expertise in bioscience – Launch of Akigalawood®, a novel fragrance ingredient created using biotechnology – Developed and launched MAHONIAL™, a safe replacer to cyclohexal	Per tonne of product against 2009 baseline: Energy consumption: 20% reduction, per tonne of product by 2020 – 17.2% reduction in energy consumption Water use: 15% reduction, per tonne of product, by 2020 (for municipal and groundwater) – 11.7% reduction in municipal and groundwater use Direct and indirect CO₂ emissions: 25% reduction, per tonne of product, by 2020 (indirect relates to purchased energy and not energy used by others i.e. our raw materials suppliers) – 24.6% reduction in direct and indirect CO₂ emissions Total weight of incinerated and land-filled waste by type and disposal: 15% reduction, per tonne of product, by 2020 – Our total weight of incinerated and land-filled waste decreased by 36.7%	Establish joint initiatives to further progress towards Givaudan sustainability targets and those of our partners – Active member on Leadership team of AIM-PROGRESS and leading supplier capability workstream (six supplier events held in 2014) – Partnership with the Natural Resource Stewardship Circle (NRSC) on initiatives including vetiver, ylang ylang and styrax – As a member of French Alliance on Sustainable Palm Oil Givaudan signs sustainable palm oil commitment at Paris International Agricultural Show – Awarded responsible sourcing prize from key customer All Givaudan manufacturing sites to be SMETA compliant – 18 out of 20 Flavour Division sites compliant with SMETA. Decision to undertake SMETA for Fragrance Division sites Other key achievements: – Givaudan Flavour Division brings industry together to debate new Health and Wellness trends – Introduced CSPO MB certification for palm derived ingredients in European Flavour sites – External advocacy efforts, including World Perfumery Congress and speaking at Sustainable Cosmetics Summit in Brazil

¹ IPCC Synthesis of Fifth Assessment Report

² Source: World Economic Forum water initiative

* Givaudan completed the Soliance acquisition in June 2014

** Soliance manufacturing data is not included in this report. It will be included for the full year in 2015 report

*** The new savoury facility in Nantong will be fully operational in 2015 and is not included in the reported manufacturing data

Organisational profile

G4-3: Report the name of the organisation

Givaudan SA

G4-4: Report the primary brands, products and services

We create fragrances for personal and home care brands that range from prestige perfumes to laundry care, and in flavours our expertise spans beverages, savoury, snacks, sweet goods and dairy products.

For more information on our brands and products please see:

www.givaudan.com/Flavours

www.givaudan.com/Fragrances

G4-5: Report the location of the organisation's headquarters

Vernier, Switzerland.

G4-6: Report the number of countries where the organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report

We have principal companies of the Group that are fully owned unless otherwise indicated (percentage of voting rights). A list of these principal Group companies is to be found in the Annual Report 2014, on page 59 of the Financial Report.

We have 34 manufacturing sites in 19 countries. Details about our sustainability activities in Australia, China, Comores Islands, France, Haiti, Hungary, India, Indonesia, Italy, Laos, Madagascar, Mexico, the Comoros, the Netherlands, Singapore, Spain, Switzerland, Venezuela, the UK and the US are included in this report.

G4-7: Report the nature of ownership and legal form

Givaudan SA, the parent company of the Givaudan Group, with its registered corporate headquarters at 5 Chemin de la Parfumerie, 1214 Vernier, Switzerland, is a 'société anonyme', pursuant to art. 620 et seq. of the Swiss code of obligations. It is listed on the SIX Swiss Exchange under security number 1064593. The Group has companies, none of which are publicly listed. Information on Givaudan SA's significant shareholders as per art. 20 Swiss Stock Exchange Act can be found at: www.six-swiss-exchange.com

The Swiss Stock Exchange Act can be found at: www.six-swiss-exchange.com

More detailed financial information about the scale of our organisation and our operational structure is available in our 2014 Annual Report.

For more information on the '[2014 Annual Report](#)'

Organisational profile

Continued

G4-8: Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)

Mature markets represent 54% of the annual sales and include North America, Western Europe and Japan. Developing markets account for 46% of our annual sales in Asia Pacific, Latin America, Eastern Europe and the Middle East. This is expected to continue increasing year-on-year. We are active in over 100 countries and have sites and branches in more than 40 countries.

Our Fragrance Division specialises in Fine Fragrances, Consumer Products and Fragrance and Cosmetics Ingredients – through which we create scents for leading brands worldwide. The Soliance acquisition strengthened our process development and research capabilities in cosmetic active ingredients. In-depth consumer understanding, a high-performing research and development organisation and an efficient global operations network support our business. Our perfumery team is the largest in the industry.

Our Flavour Division works with food and beverage manufacturers to develop flavours and tastes for market-leading products across all continents. We are a trusted partner to the world's leading food and beverage companies, combining our global expertise in sensory understanding, analysis and consumer-led innovation in support of unique product applications and new market opportunities.

G4-9: Report the scale of the organisation

As of 31 December 2014 we had:

- 88 locations worldwide
- 25% global industry market share (approximately)
- 34 production sites
- 9,704 full-time equivalent staff;
- CHF 4,459 million revenue
- Over 6,000 customers

Organisational profile

Continued

G4-10 Employees

By employment type

Region	Full-time – female	Full-time – male	Part-time – female	Part-time – male	Total – female	Total – male
Asia Pacific	1,007	1,276	5	0	1,012	1,276
Europe, Middle East, Africa	1,477	2,965	121	40	1,598	3,005
Latin America	412	784	2	1	414	785
North America	704	1,186	4	0	708	1,186
Total	3,600	6,211	132	41	3,732	6,252

By employment contract

Region	Permanent – female	Permanent – male	Temporary – female	Temporary – male	Total – female	Total – male
Asia Pacific	995	1,256	17	20	1,012	1,276
Europe, Middle East, Africa	1,549	2,898	49	107	1,598	3,005
Latin America	413	781	1	4	414	785
North America	708	1,186	0	0	708	1,186
Total	3,665	6,121	67	131	3,732	6,252

G4-11: Report the percentage of total employees covered by collective bargaining agreements

	Collective agreement in %
Yes	29%
No	71%

Organisational profile

Continued

G4-12: Describe the organisation's supply chain



In the fragrance and flavour industry Givaudan is one of the largest buyers, and the procurement of raw materials and Indirect Materials & Services (IM&S) is a strategic pillar to support our profitable growth. A significant percentage of our sales is spent on raw materials and each ingredient we buy has a direct impact on the cost and quality of end products.

More than 10,000 different synthetic and natural ingredients are used in our flavours and fragrances formulas and these are sourced from 100 countries in some of the remotest parts of the world. Each ingredient must fulfil the highest quality standards and have a unique profile to contribute to the creations of our perfumers and flavourists. Procurement aims to ensure the continuous security of supply of these raw materials at optimised and predictable costs, and to provide the best and most innovative palette to our creation teams. Increasing transparency is being achieved through more accurate monitoring and measurement in raw materials pricing.

Our supply chain vision is to deliver superior value to customers through agile, reliable service and continuity of supply at optimised cost and minimal environmental impact.

Fully aligned with the Givaudan business strategy, supply chain's Excellence programme focuses on improving customer service levels while optimising inventory and other supply chain costs. Introduced in 2011, this programme is now fully embedded in the organisation and remains on course to achieve its targets for 2015.

Organisational profile

Continued

G4-13: Report any significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain

Givaudan has acquired the French company Soliance, an active cosmetic ingredients business. There have been no further significant acquisitions or disposals during this reporting period.

G4-14: Report whether and how the precautionary approach or principle is addressed by the organisation

Our approach

Givaudan, as an industry leader, is committed to adhere to the highest ethical standards in business conduct and compliance with laws and regulations, as well as with Company policies, practices and procedures.

Givaudan recognises its obligation to carry out all of its activities in a manner that preserves and promotes a safe and healthy environment. While conducting its activities, Givaudan takes into consideration the efficient use of energy and materials; the minimisation of adverse environmental impact and waste generation; and the safe and responsible disposal of residual wastes. Givaudan's Directive on Environmental Protection underlines the Company's commitment in this area.

Environment, Health and Safety (EHS) regularly carries out comprehensive risk assessments for all of Givaudan's production sites. Any actions identified through such assessments are managed internally using a proprietary EHS Management System with formally documented solutions and closure records. Additionally, Givaudan Operations carries out continuous risk assessments and management of all chemical processes in accordance with leading industry standards.

Ensuring the safety and regulatory compliance of our products is a priority which at Givaudan relies on a team of in-house scientific experts and an external network of international experts.

Our regulatory compliance teams work at local and global levels to meet the increasing demands of customers and consumers alike. We pride ourselves in leading efforts to help shape the industry through the commitment of our resources and sharing of our expertise, and we are advocates for our industry through the support of regulatory developments which are science-based and in the best interests of consumers of fragranced and flavoured products.

Fragrances

Givaudan continues to take a lead in supporting the work of the International Fragrance Association (IFRA), which is playing an increasingly critical role in representing the industry and its strategic positioning with customers. We encourage greater participation and commitment from others in the global fragrance industry to enable IFRA to better anticipate and strongly manage macro-scale changes that are rapidly affecting the industry as a whole. Two examples of these macro issues are formula transparency in the US and fragrance allergen labelling of cosmetics in Europe.

We have been actively engaged with IFRA in the US and sister organisations in that country such as the Consumer Specialty Products Association and the Personal Care Products Council on a possible common platform for transparency of fragrance ingredient information. It is critical that we strive for a common approach to enable clear and aligned information so consumers are not confused, and that there is protection for the intellectual

property of the creations that perfumers provide and which build brand equity for their customers.

Allergen labelling in Europe continues to be a major topic. The fragrance industry has taken significant strides in the past 12-18 months in demonstrating to the European Commission its willingness to engage in a programme that reflects safety in the use of fragrance materials that are dermal sensitisers in a range of consumer products. A solid programme – the International Dialogue for the Evaluation of Allergens project (IDEA) – has been designed to provide a broadly agreed and transparent framework for assessing fragrance sensitisers on a global basis. The IDEA project is an opportunity to build partnerships between the international fragrance industry and its stakeholders to improve the risk assessment of those fragrance ingredients identified as allergens and to enhance consumer protection. This project is developing that further evaluation of materials as well as establishing risk management approaches that all stakeholders can agree to and on how we manage the use of these materials in the future. We continue to believe the IFRA ingredients standard programme is the gold standard and that the IDEA project will strengthen this programme significantly. The IDEA project has developed a framework for the IFRA standards which has been submitted to the European Commission for assessment, and feedback is expected by mid-2015.

Givaudan is committed to meeting the final phase of the registration obligations of Europe's REACH regulations governing chemical control by registering the final 754 materials by 2018. The consequences of the initial submissions as part of the REACH regulations are already starting to have an impact. There has been a disproportionate

Organisational profile

Continued

interest, for example, by the European Chemical Agency (ECHA) and EU Member States in raw materials since their registration, along with demands for the re-evaluation and additional testing of some registered materials. This has significant cost implications that will continue to burden the industry, particularly affecting some of the smaller fragrance houses. Givaudan is working closely with its suppliers to ensure the materials are defended effectively and that we are managing the expectations of ECHA by contributing appropriately to the development of further data to support the materials.

The integration of Soliance in 2014 was a particular challenge for Givaudan from a regulatory point of view because the cosmetics ingredients industry manages raw materials very differently to the fragrance industry. A structure for appropriate support was completed during the year without re-applying the fragrance model, and processes to enhance the capabilities of the Soliance business were established, particularly in the development of pipeline innovation materials. We have assessed various compliance obligations for the new business such as REACH and have integrated these into our 2015 budget projections to ensure its continuity. We see an opportunity to bring value to the Soliance business from a customer perspective through the strength of the Givaudan regulatory and toxicology organisation.

Flavours

2014 saw the development and implementation of several new regional and country specific food and flavouring regulations covering areas related to ingredient purity, flavour labelling and ingredient registration. In addition, there was a significant increase in the activities of NGOs in the area of organic food certification, genetically modified organism (GMO) labelling in

developed markets and natural flavour labelling in developing markets. In particular, there was increased attention paid to GMO-derived food ingredients in the US, where there is a push at the state and national level to develop a guideline for GMO food labelling. To respond to these developments, Givaudan maintains leadership positions within national, regional and international trade associations that have been effective in working with government authorities to ensure that new regulations and flavour requirements are harmonised around the world, ensuring a consistent approach to the commercialisation of new technology and the free flow of flavours on a global basis.

In Europe, Givaudan maintains a leadership position on an industry task force supporting the European Food Safety Authority (EFSA) and the European Commission on the re-evaluation of flavouring ingredients and the finalisation of the recently adopted flavour positive list. This has led to the acceptance of thousands of existing flavouring ingredients included in the initial positive list and the development of additional registrational information in support of other ingredients currently under safety review by the EFSA that will be amended to the European positive list.

Another important aspect of our advocacy activities includes the sharing of knowledge and expertise regarding the use of flavourings in foods with members of the broader food industry and regulatory authorities. Givaudan has supported several associations including the International Organization of the Flavour Industry (IOFI), the European Flavour and Fragrance Association (EFFA) and the Flavor and Extract Manufacturers Association (FEMA) in meetings with regulatory authorities and international scientific organisations. The result of our advocacy

programme has significantly improved the understanding of the use and safety of flavourings and has led to the adoption of more harmonised regulations around the world. Continuing advocacy activities focus on allowing the use of new technologies in the development and production of new flavouring ingredients.

With the significant increase in demand for regulatory information for our products by customers and consumers alike, Givaudan continues to build regulatory capabilities. We are currently finalising the implementation of a new platform to allow for the rapid evaluation of the regulatory status of our flavour products produced and used anywhere in the world. This will improve our ability to respond to our customers' rapid product development cycle times. We are also exploring opportunities to improve the transfer of regulatory product information needed by our customers. This improved capability will increase the reliability of our customer support and reduce our response time to customer requests for critical data that support demands by consumers for regulatory and safety information.

G4-15: List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses

We participate in and endorse a number of global initiatives which promote sustainable business practices:

- global sustainability challenges require global effort. That is why we measure our progress towards sustainability against the principles of the United Nations Global Compact

Organisational profile

Continued

(UNGC). We file our Sustainability Report as our annual Communication on Progress

- we aim to communicate to external stakeholders in a transparent way our strategic direction, motivation, goals, development and progress in the arena of sustainability. Givaudan reports annually information on greenhouse gas emissions, energy use and the risks and opportunities from climate change to the Carbon Disclosure Project
- we also disclose our sustainability achievements through a Sustainability Report which follows the international reporting framework from the Global Reporting Initiative and which is independently assured.

External commitment or initiative

The **UNGC** is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. Givaudan committed to the principles of the UNGC in February 2010. We publish updates in the Communication on Progress (COP) integrated in our Sustainability Report.

As a signatory to the UNGC we are using this report to submit our annual Communication on Progress.

Please visit www.unglobalcompact.org

The **Carbon Disclosure Project** (CDP) is an international, not-for-profit organisation providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

The Carbon Disclosure Project is, for us, the way to demonstrate Givaudan is committed to action related to carbon emissions reduction, not only in theory but also in practice.

Givaudan started participating in the CDP in 2007 and has disclosed greenhouse gas emissions annually and reduction strategy and performance for both investor and supply chain surveys.

In 2014, Givaudan disclosed for the CDP investor and supply chain surveys. Company transparency is assessed via a disclosure score for which Givaudan received 89/100 in 2014 versus 79 in 2013. Givaudan performance band was B in 2014 versus A in 2013.

For more information visit:

<https://www.cdp.net/en-US/Pages/HomePage.aspx>

The **Global Reporting Initiative** (GRI) is the leading global standard and the standard most widely adopted for sustainability reporting. GRI guidelines have been designed to align with other prominent standards, including 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', and the UNGC's 'Ten Principles'. Givaudan started to use GRI guidelines in our 2010 Sustainability Report.

In 2014, Givaudan continued to participate in the Organizational Stakeholder Program, a network of more than 600 organisations from over 60 countries committed to advancing sustainability reporting.

Givaudan's current report adheres to GRI G4 in accordance 'Core'. We decided to already apply the Global Reporting Initiative's latest G4 guidelines, which were only released a few months ago, in our 2014 reporting.

For more information visit:

<https://www.globalreporting.org/Pages/default.aspx>

Organisational profile

Continued

G4-16: List memberships of associations (such as industry associations) and national or international advocacy organisations in which the organisation views membership as strategic

Sustainability issues are simply too big to deal with alone. So 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 other businesses and non-profit organisations is key: the more we do, the quicker we drive sustainable solutions. Last year particular organisations where we have engaged are:

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

Relevance to material issues:

- Responsible sourcing
- Workplace safety
- Transparency
- Diversity
- Stakeholder dialogue

Since 2012 we have been an active member of AIM-PROGRESS. Through this membership we are enhancing our supplier and customer partnerships to help create a more responsible supply chain. In 2014 Givaudan led the supplier capability building workstream to promote responsible sourcing practices throughout the supply chain, with a particular focus on delivering joint supplier capability events, resources and tools. We have further plans to deepen our engagement with AIM-PROGRESS in 2015.

For more information visit: www.aim-progress.com

Sedex, the Supplier Ethical Data Exchange, is a not-for-profit membership organisation dedicated to driving improvements in responsible and ethical business practices in global supply chains.

Relevance to material issues:

- Responsible sourcing
- Traceability
- Transparency
- Workplace safety

Since 2008 Givaudan has been an active user of the Sedex platform. To date 32 Givaudan manufacturing sites are registered on Sedex and completed the Sedex Self-Assessment Questionnaire (SAQ) to share information with customers. Givaudan annually reviews and updates the SAQ. To date, 20 Givaudan sites have been audited in accordance with SMETA standards.

We fully support our suppliers' engagement with Sedex and today 293 suppliers are on Sedex, with 256 SAQs completed. We also participate in the Sedex working group on SAQ review to ensure it reflects current legislation, codes and standards.

For more information visit: www.sedexglobal.com

For more information on our approach to supplier engagement and capacity building, see pages 50, 60 and 64.

NRSC, the Natural Resources Stewardship Circle, is a group of industry leaders 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.

Relevance to material issues:

- Community support
- Transparency
- Responsible sourcing

In 2014, Givaudan engaged in several working groups about supply chain actions, international activities and workshops.

For more information visit: www.nrsc.fr

Organisational profile

Continued

RSPO, the Roundtable on Sustainable Palm Oil, is an international multi-stakeholder organisation and certification model to advance the production, procurement, finance and use of sustainable palm oil products. See more at www.rspo.org

Relevance to material issues:

- Responsible sourcing
- Transparency
- Traceability

Givaudan joined RSPO in 2011 to promote the production and use of sustainable palm oil. As members, 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 derived ingredients from certified traceable sources once they become technically and commercially available.

For more information visit: www.rspo.org

GreenPalm is a certificate trading programme which is designed to tackle the environmental and social problems created by the production of palm oil. GreenPalm is an efficient solution for supporting RSPO-certified palm because it bypasses the supply chain. In this way, GreenPalm opens up the opportunity to support sustainability to a much wider audience.

Relevance to material issues:

- Responsible sourcing
- Transparency

We see GreenPalm as part of the mix of options which support the supply of sustainable palm oil and derivatives. Givaudan has adopted GreenPalm certificates in 2011.

In 2014 Givaudan sourced first palm derived ingredients with Mass Balance and Segregated certifications. We used also GreenPalm certificates to 'Book and claim' 100% of our palm usage and we undertook a GreenPalm audit.

This option is helping to drive up the scale of physical sustainable palm. Until global volumes of segregated sustainable palm oil grow to a much higher level, and until entire supply chains from refiners through to end users can switch to only using segregated sustainable palm oil, there will remain a need to offer Book and Claim – especially for products that use complex derivatives of palm oil.

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

Relevance to material issues:

- Eco-efficiency

Since 2012 we have been members of ACI. In 2013 Givaudan participated in the ACI's Sustainability Metrics Project to track environmental sustainability metrics and to provide a baseline for ACI member operations in the US.

For more information visit: www.cleaninginstitute.org

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.

Relevance to material issues:

- Responsible sourcing
- Sustainable innovation
- Eco-efficiency
- Corporate governance

In 2008 we filled out the EcoVadis CSR assessment for the first time. In 2014 Givaudan reviewed and updated the EcoVadis CSR assessment and we reconfirmed and maintained the Gold recognition level.

For more information visit: www.ecovadis.com

Alliance Française for Sustainable Palm Oil, the French Alliance is an association of companies with the objective of developing the use of sustainable palm oil which prevents deforestation and respects the needs of local populations.

In 2014, Givaudan and other members have held a stand during the Paris International Agricultural Show to meet with thousands of visitors and explain what is at stake regarding palm oil and the various economic, social and environmental aspects related to its production and supply chain.

For more information visit: www.huiledepalmedurable.org

Relevance to material issues:

- Responsible sourcing
- Transparency
- Traceability

Identified material aspects and boundaries

G4-17: Entities in financial statement covered by the report

Our Company comprises two divisions, Flavours and Fragrances.

Our Flavour Division has four business units: Beverages, Dairy, Savoury and Confectionary.

Our Fragrance Division has three business units: Fine Fragrances, Consumer Products, and Fragrance and Cosmetics Ingredients.

G4-18: Process to define boundaries and report content

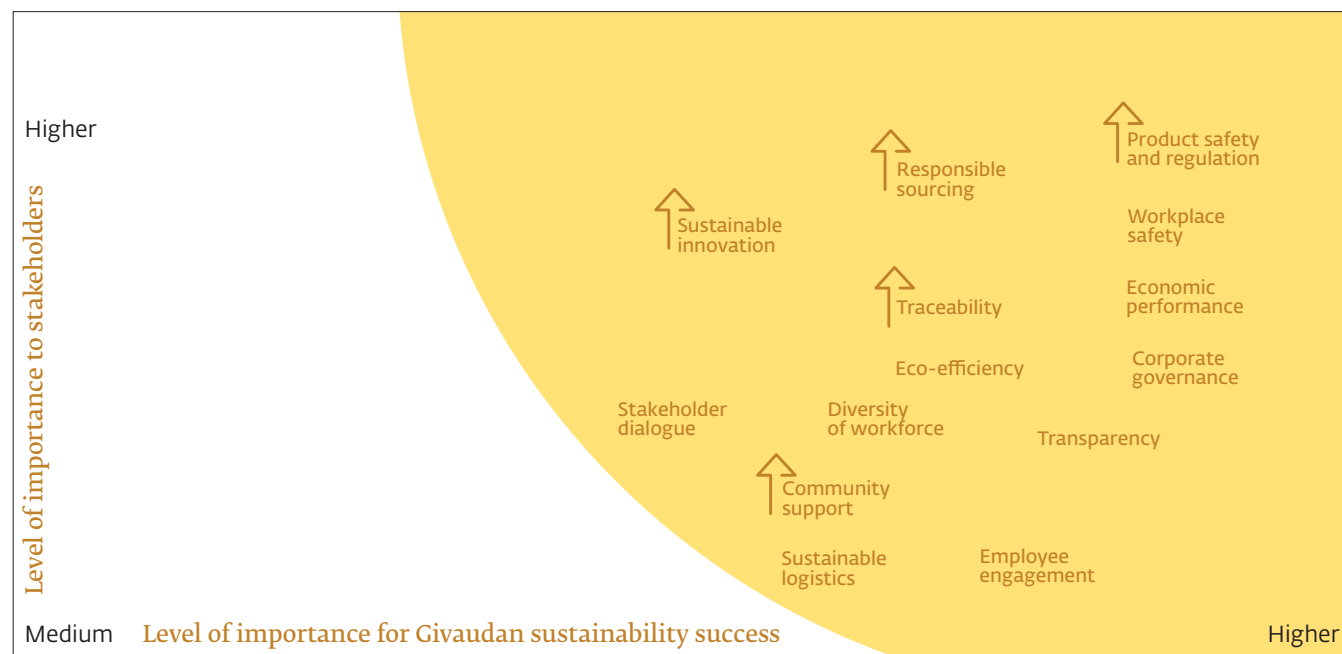
The prioritisation of the issues of highest material importance to Givaudan and our stakeholders is a critical component of our Sustainability programme strategy.

For several years, we have monitored and evaluated emerging sustainability themes on an on-going basis. Describing challenges faced in the five different pillars of our sustainability programme. (see G4-2, page 6-9)

We use the Givaudan materiality matrix to map out the key aspects we understand our customers and other key stakeholders to be most concerned about and to help prioritise our Sustainability programme initiatives.

The Givaudan materiality matrix is revisited every two years where key stakeholders are asked to discuss the Company's critical issues and strategic priorities, identifying opportunities for improving management and relationships and co-creating projects with Givaudan.

Our last review in 2013 led to identify and prioritise 14 material aspects as follow:



Identified material aspects and boundaries

Continued

Material aspects 2014	Glossary
Product safety and regulation	The safety of our products and the processes that are used to comply with local laws and regulations.
Workplace safety	Minimising accidents and injuries in the workplace, including the training and systems to ensure the health and safety of our employees.
Economic performance	Operating a Sustainable Business Model. This means respecting the planet, including the people living on it, while running a viable, profitable business.
Responsible sourcing	The process of purchasing goods and services without causing harm to, or exploiting, humans or the natural environment.
Sustainable innovation	Development of products which are more efficient to make, have fewer negative by-products, or have a positive impact when used by the consumer (Health and Wellness/environmentally-friendly innovation).
Traceability	The ability to track, trace and predict the location of a batch, its sub-components and raw materials throughout the supply chain.
Eco-efficiency	Improving the efficiency of operational activities with regard to harmful emissions, water efficiency and waste disposal.
Corporate governance	Ensuring our practices are in alignment with international standards and safeguard the effective functioning of the governing bodies of the Company.
Diversity of workforce	Having a diverse workforce which reflects the societies in which we operate.
Stakeholder dialogue	Engaging with stakeholders to build understanding of their priorities and to find opportunities for collaboration on sustainability initiatives.
Community support	Building relationships for the benefit of the communities in which we operate.
Transparency	Being open to sharing data and information; disclosure of data.
Sustainable logistics	Eco-efficient management of product flow including: packaging, warehousing and transportation.
Employee engagement	Engaging and inspiring employees to be a motivated workforce.

Identified material aspects and boundaries

Continued

G4-19: List of material aspects identified in the process for defining report content

The content of this report is defined considering GRI aspects list and identifying those equivalents to Givaudan materiality matrix.

The list of all material aspects identified in this process is the following:

Givaudan material aspects	Equivalent G4 material aspects
Product safety and regulation	Product responsibility: customer health and safety
Workplace safety	Labour practices and decent work: occupational health and safety
Economic performance	Economic: economic performance
Responsible sourcing	Economic: procurement practices Environmental: supplier environmental assessment Labour practices and decent work: supplier assessment for labour practices Human rights: supplier human rights assessments Human rights: child labour
Sustainable innovation	Environmental: products and services
Traceability	Product responsibility: product and service labelling
Eco-efficiency	Environmental: Energy, water, effluents and waste, emissions
Corporate governance	Society: anti-corruption, public policy
Diversity of workforce	Labour practices and decent work: Diversity and equal opportunity, employment, equal remuneration for women and men
Community support	Society: local communities
Sustainable logistics	Environmental: transport
Employee engagement	Labour practices and decent work: Training and education, Employment, Labour/management relations

Identified material aspects and boundaries

Continued

G4-20: Aspect boundary in the organisation for each material aspect

G4-21: Aspect boundary outside the organisation for each material aspect

Material aspects 2014	Boundaries
Product safety and regulation	Within and outside Givaudan Gather information on origin of our ingredients to contribute to regulatory requirements, food safety and issue management. Ensure Givaudan products are safe for people and the environment when used as intended. Promote Health and Wellness through our products. Engage with customers to develop new technologies for healthier and more sustainable products.
Workplace safety	Within Givaudan Reduce incidents by strengthening workplace environment, safety behaviour and awareness.
Economic performance	Within and outside Givaudan Provide suppliers ability to continuity of supply. Ensure that Givaudan's business is financially sustainable in the short-, medium- and long-term. Support our customers' own market expansion plans providing growth opportunities by using our products.
Responsible sourcing	Outside Givaudan Ensure that standards related to safety, environment, social responsibility and business integrity are consistently applied by our vendors.
Sustainable innovation	Within Givaudan Develop new technologies for healthier and sustainable products. Do more with less, promoting innovative design based on concentrated quality and compacted fragrances. Ensure our products are not persistent in the environment after their use.
Traceability	Within and outside Givaudan Be able to trace the vendor provenance of a batch, its sub-components and raw materials, and to identify the destination of deliveries.

Identified material aspects and boundaries

Continued

Material aspects 2014	Boundaries
Eco-efficiency	Within Givaudan Improve eco-efficiency of manufacturing sites with a focus on greenhouse gas emissions, waste and water.
Corporate governance	Within Givaudan Ensure our practices are in alignment with international standards and safeguard the effective functioning of the governing bodies of the Company.
Diversity of workforce	Within Givaudan Embrace diversity throughout our organisation and create a diverse and inclusive workforce.
Stakeholder dialogue	Within and outside Givaudan Engage with stakeholders to build understanding of their priorities and to find opportunities for collaboration on sustainability initiatives. We have identified six stakeholder groups which, are of primary importance to our Sustainability programme (Customers, Suppliers, Employees, Owners and Investors, Local communities, Public and Regulatory agencies).
Community support	Outside Givaudan Work together with our local communities on projects and causes that benefit the communities within which we work.
Transparency	Within and outside Givaudan Being open to sharing data and information; disclosure of data both internally and externally.
Sustainable logistics	Within and outside Givaudan Improve logistics efficiency through reduced materials and energy usage including: packaging, warehousing and transportation.
Employee engagement	Within Givaudan Provide an engaging and inspiring environment for employees to realise their career aspirations.

Identified material aspects and boundaries

Continued

G4-21: continued

For each material aspect we determined the following boundaries and the impact and/or relevance for us:

- ‘Within Givaudan’: Aspects relevant inside Givaudan’s organisational boundary defined as the entities reported in G4-17 (environmental workplace safety data is limited to manufacturing locations only)
- ‘Outside Givaudan’: Aspects relevant outside Givaudan’s organisational boundary, either upstream (supply chain) or downstream (customers)
- ‘Within and outside Givaudan’: Aspects relevant both inside Givaudan’s organisational boundary and outside Givaudan’s organisational boundary

(see G4-20 and G4-21 on page 22-23).

G4-22: Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements

Following the checking and validation of quarterly reported figures, and site audits conducted against reporting definition sheets by our auditors EY, we have made a number of corrections to the 2009 baseline data reported in our 2013 Sustainability Report. With a few exceptions, the corrections are minor and less than or equal to 1% of the target parameter.

These corrections do not apply to the waste figures which are categorised as incinerated and recycled waste. In alignment with the Dow Jones Sustainability Index definitions, incinerated waste (which has a positive financial value to Givaudan) has been re-classified as ‘recycled’.

Corrections as follows:

- The energy and the CO₂ load correction are less than 0.002%.
- The municipal (2013) and groundwater (2009) figures have undergone minor changes.
- Water discharged to the ‘external treatment’ has seen some further significant changes in the two sub-categories. This is because one Givaudan site did not report its waste water stream.
- Some corrections to 2013 data included a specific CFC number from one site which was omitted in the 2013 report. All corrections made are summarised in the restatement table on page 77 of this report.
- The 2013 carbon footprint figure for transportation of finished products was corrected from 39,700 to 37,200 tonnes. This is a result of some incorrect inbound transportation data that was included in the original figure.
- The 2013 footprint for packaging was corrected from 49,875 to 50,385 tonnes because of a small error in extrapolating the data to achieve 100% coverage.
- In the 2013 GreenPalm audit, it was discovered that an insufficient amount of certificates were bought in 2013. It was agreed by all parties that Givaudan would buy the missing certificates in 2014 in addition to the required number for the year.

G4-23: Report significant changes from previous reporting periods in the Scope and Aspect Boundaries

Since the beginning of 2013 the EHS and Social data of Givaudan’s new manufacturing location in Hungary has been included in the scope of our reporting. The manufacturing activities of our facility at Bromborough (UK) were transferred to Hungary. The manufacturing activities in the UK facility were ceased in August 2013. Consequently, in this report only historical EHS and Social data up to August 2013 are included.

Givaudan completed the Soliance acquisition in June 2014. Soliance manufacturing data is not included in this report. It will be included for the full year in 2015 report.

Stakeholder engagement

G4-24: Stakeholder groups engaged by Givaudan

Givaudan's key principles of sustainability outline our aspiration to establish open dialogue and to take a collaborative approach with stakeholders in order to ensure best understanding of mutual expectations and interests. Our key stakeholders are the people who affect our business or who are affected by it. Listening and responding to them is a core element of our sustainability management practices. The feedback we receive from these stakeholders helps us understand their expectations, enables us to prioritise issues effectively and contributes both to our overall sustainability strategy and to helping deliver against our combined sustainability goals.

For several years, Givaudan has been developing specific stakeholder groups to discuss the Company's critical issues and strategic priorities, identifying opportunities for improving management and relationships and co-create projects with Givaudan. Out of the list of our many stakeholder groups we have selected six which, at the moment, are of primary importance to our Sustainability programme:

Customers: Including global key accounts for Flavours and Fragrances and industry associations (NRSC, ACI, AIM-PROGRESS). See G4.15 & G4.16 (page 15-18).

Suppliers: Including Tier 1 Naturals and Synthetics suppliers, partnerships at origin with growers and farmers, and supplier events at AIM-PROGRESS.

Employees: Including European Works Council consultations, Givaudan's Green Teams Internal Employee Engagement Survey, and annual performance dialogues.

Owners and investors: Including engagement with the Board of Directors, SRIs, institutional investors and pension funds.

Local communities: Including local site community engagement programme. See G4.S01 (page 68).

Public and regulatory agencies: Including engagement with IFRA, IOFI, EFFA and other not-for-profit international organisations such as GRI, UNGC, CDP – see G4.15 & G4.16 (page 15-18).

There are other stakeholder groups, but they have less capacity to directly impact our business, or Givaudan has less capacity to directly impact them. That is why we are limiting our focus on the above six stakeholder groups. They are the ones we can develop a close relationship with.

G4-25: Basis for identification and selection of stakeholders with whom to engage

Givaudan has been developing specific tools for several years to support stakeholder dialogue and interaction with the various stakeholder panels at both global and local level. In 2010, we began a process of reviewing and evaluating the diverse stakeholder engagement initiatives that exist across our Company. The starting point was the identification of all of our stakeholder groups. Following an internal survey and subsequent analysis, our primary sustainability stakeholders are listed in section G4-24.

We split our external engagement in two categories:

- engagements with reporting or certification organisations
- engagement with multi-stakeholder organisations

We continuously monitor the relevance of our stakeholder engagement through a two-stage assessment: firstly, through stakeholder mapping and secondly through an in-depth analysis.

Stakeholder mapping

For each direct engagement with an external organisation we check alignment according to several dimensions:

- relevance with our stakeholder groups
- relevance with key issues in our materiality matrix
- relevance with the five pillars of our Sustainability programme

Stakeholder engagement

Continued

Organisation	Focuses significantly on issues									Pillar's impacted or impacting					Stakeholder group impacted or impacting					
	Product safety and regulation	Responsible sourcing	Workplace safety	Sustainable innovation	Traceability	Economic performance	Eco-efficiency	Corporate governance	Others	Procurement	Employees	Innovation	Operations	Customers and markets	Customers	Suppliers	Employees	Owners and Investors	Local communities	Public and regulatory agencies
1. Current engagement with reporting/certification organisations																				
Global Compact	X	X	X					X		X	X		X	X	X	X	X		X	
Sedex		X	X				X	X		X	X		X	X	X	X	X		X	
GreenPalm	X	X				X				X				X	X	X				
ECOCERT	X	X			X				X	X				X	X	X			X	X
CDP		X					X			X			X	X	X	X		X		X
GRI	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
EcoVadis	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
EcoDesk	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
DJSI	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
2. Current engagements with multi-stakeholders organisations																				
NRSC		X		X	X				X	X	X	X		X	X	X	X		X	
AIM-PROGRESS		X	X		X			X		X	X			X	X	X	X			
RSPO	X	X		X	X	X				X		X		X	X	X			X	
Alliance Française pour l'huile de Palme Durable	X	X		X	X	X				X		X		X	X	X			X	
Conservation International		X			X					X						X			X	
ACI Sustainability Committee	X						X						X	x	X					X
IFRA Sustainability Committee	X		X							X		X	X	X	X					X
IDEA programme: IFRA and EU commission	X											X			X					X
EPAA	X											X								X

Stakeholder engagement

Continued

Engagement in-depth analysis

We then look at every current or potential external engagement along several criteria and we make several decisions about our engagement.

Our criteria are:

- 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 programme pillars
- Risks and benefits.

Based on the above we recommend to pursue or not a current engagement, or to engage with new organisations; and we then suggest actions to be taken within the engagement for the next three years.

G4-26: Givaudan's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process

Givaudan has many channels for stakeholder dialogue, spread across different departments and teams. Often, we already have information and feedback from stakeholders as a

consequence of on-going business as usual interactions. In such cases, information from previous interactions can be used to identify interests and priorities. The following list formalises dialogue channels:

Customers

- On-going dialogue
- Customer sustainability request
- SMETA audits
- Customer innovation days
- Conferences and events
- At associations and advocacy organisations (see G4.15 and G.16, pages 15-18).

Suppliers

- Assessments via Sedex registration
- Issues raised at supplier audits
- Collaborations to improve performance
- Multi-stakeholder groups
- Supplier events – capacity building, discussing issues

Employees

- European Works Council consultation
- Internal employee survey
- Annual performance dialogue
- Green Teams, engagements and on-going dialogue.

Owners and investors

- AGM/half-year meeting
- Annual investor road show
- Briefings with analysts
- Local communities
- Community development programme survey
- Local site community engagement programme
- Givaudan Foundation
- Local partners (NGOs or Cooperatives) acting as Givaudan agents.

Public and regulatory agencies

- Commenting on emerging legislation/regulation
- Membership of working groups/forums
- IFRA/IOFI consultation
- UNGC consultation
- CDP project workshop
- Media.

Stakeholder engagement

Continued

Dialogue groups

Every two years, stakeholders are asked to discuss the Company's critical issues and strategic priorities, identifying opportunities for improving management and relationships and co-creating projects with Givaudan. Targeted categories, such as local communities, suppliers and specialists in annual reports, are asked to co-create an annual plan for the evolution of relationships with Givaudan.

Our main objective is to understand how our business affects our stakeholders and to determine what the most material impacts to be managed are. Sustainability aspects listed in the Givaudan materiality matrix are presented to stakeholders during engagement to let them confirm the topics they would rank as the most important for them, the ones they would like to discuss or would like to know more about. Co-creation of projects and collaboration with mutual benefits are the ultimate goals of stakeholder dialogue – thereby allowing us to focus our sustainability efforts in those areas that are most important to our key stakeholders.

How dialogue groups support our materiality process

The dialogue groups give stakeholders a genuine and explicit role in setting the direction of our Sustainability programme – and contribute every two years to prioritising Givaudan's material issues. Outcomes from dialogue panel sessions are also fed back to the Sustainability Steering Team (our main governance body for sustainability) and management committees to shape strategy and improve decision-making.

G4-27: Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns

Every two years we identify sustainability topics based on their importance for Givaudan and our stakeholders and we prioritise them on the principle of materiality. In our materiality matrix we highlight key sustainability issues and their significance for stakeholders. (See materiality matrix in G-18, page 19)

We analyse stakeholder feedback and identify changes that have the greatest effects. The result is a set of environmental and social trends that we believe influence our business over the mid-term:

Product safety and regulation remains a key topic for our stakeholders. There are more regulations and more public pressure for greater transparency. Our primary focus is to continue to develop and produce safe and compliant products.

Responsible sourcing is a growing concern as developing countries industrialise and global demand for material resources increases. Responsible sourcing is about knowing under which social and environmental conditions Givaudan raw materials and products are made. It is now becoming one of the most material aspects for key stakeholders who are demanding more accountability from brands on supplier ethics regarding workers and the environment. Givaudan's supply chain is complex and the Company plays a pivotal role with more than 2,000 raw material suppliers and more than 6,000 customers. This is where Sedex provides value with common requirements.

Givaudan is committed to conducting audits with 200 of our top 400 suppliers by 2015.

Sustainable innovation is of growing importance as issues such as Health and Wellness, climate change and resource depletion become more pressing for our customers and consumers. Transforming these issues into opportunities and researching new technologies are key for Givaudan. As the industry leader we invest heavily in research and development. Givaudan is well-placed to respond to these opportunities given our wide spectrum of products, processes and services.

Traceability is increasingly a business requirement connected with regulatory requirements, food safety and issue management. It reflects the growing need for more information on the origin of our ingredients. Traceability is about where the product is produced and how it is produced.

Community support from companies like Givaudan is a requirement. As part of our responsible sourcing approach Givaudan engages with suppliers, including producers at source in remote rural communities, to meet environmental and social standards and support community needs. Moreover at Givaudan we act responsibly and constructively in relation to the communities in which we operate. We support activities and projects which improve the quality of life of our local and global communities and that support our divisional focus areas: Flavour Division; Family Nutrition; Fragrance Division; Blindness.

Report profile

G4-28: Reporting period for information provided

All data is for wholly-owned Givaudan companies, and is for the full financial year ended December 2014.

G4-29: Date of most recent previous report

Our previous report was published in March 2014.

G4-30: Reporting cycle

We have an annual sustainability reporting cycle.

G4-31: Provide the contact point for questions regarding the report content

We hope you find this report engaging and informative. We welcome your comments and questions, which can be sent to: global.sustainability@givaudan.com

G4-32: GRI content index

Please refer to pages 79-81.

G4-33: Assurance

This report has been prepared in accordance 'Core' with the Global Reporting Initiative's G4 Sustainability Reporting Guidelines. The GRI materiality disclosure service verified this G4 based report, GSD G4-17 to G4-27 were correctly located. This document represents a full GRI content index.

The data and commentary in this report are assured by Ernst & Young LLP in accordance with the principles of the International Standards on Assurance Engagements (ISAE) 3000. For more information please see the Assurance Statement on page 83 of this document and a UNGC Principles reference table on pages 79-81.

Governance

G4-34: Report the governance structure of the organisation, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts

The Board of Directors is the highest governance body of Givaudan SA. In accordance with Swiss law, the Articles of Incorporation and the Board Regulations of Givaudan SA, the duties of the Board of Directors include the following matters:

- the ultimate management of the Company and, in particular, the establishment of medium- and long-term strategies and directives defining Company policies and the giving of the necessary instructions
- the establishment of the organisation
- the approval of the annual Company budget
- the structuring of the accounting system and of the financial controlling as well as the financial planning
- the assessment of the Company's risk management as reported by the Audit Committee
- the decision on investments in, or divestments of, fixed and tangible assets of a global amount exceeding the limit set by the corporate investment guidelines established by the Board of Directors
- the appointment and removal of the persons entrusted with the management and representation of the Company, in particular the Chief Executive Officer (CEO) and the other members of the Executive Committee
- the ultimate supervision of the persons entrusted with the management, in particular with respect to compliance

with the law, the Articles of Incorporation, regulations and instructions given in any areas relevant to the Company, such as working conditions, environmental protection, trade practices, competition rules, insider dealing and ad hoc publicity

- the preparation of the annual business and compensation reports
- the preparation of the Annual General Meeting of shareholders and the implementation of its resolutions.

Except as otherwise provided by Swiss law, the Articles of Incorporation and the Board Regulations, all other areas of management are fully delegated by the Board of Directors to the CEO, the Executive Committee and its members in accordance with art. 716b of the Swiss Code of Obligations.

According to the Articles of Incorporation of Givaudan, the Board of Directors may consist of between seven and nine members which are elected annually by the Annual General Meeting of shareholders. Re-election of Directors is possible.

The Board of Directors has established three Committees: an Audit Committee, a Compensation Committee and a Nomination and Governance Committee.

The Audit Committee: The primary function of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information, the systems of internal controls and the audit process. It carries out certain preparatory work for the Board of Directors as a whole. The Audit Committee currently consists of three members of the Board. The Audit Committee ensures that the Company's risk management systems are efficient and effective. It promotes effective communication among the

Board, management, the internal audit function and external audit. It reviews and approves the compensation of the external auditors for the annual audit. The Chief Financial Officer attends the meetings of the Audit Committee on the invitation of its Chairman.

The Compensation Committee: The primary function of the Compensation Committee is to review and recommend the compensation policies to the Board of Directors. It approves the remuneration of the CEO and the other members of the Executive Committee as well as all performance-related remuneration instruments and pension fund policies. The Compensation Committee consists of three members of the Board which are elected directly by the Annual General Meeting of shareholders. The Committee takes advice from external independent compensation specialists and consults with the Chairman and the CEO on specific matters where appropriate.

The Nomination and Governance Committee: The primary function of the Nomination and Governance Committee is to assist the Board in applying the principles of good corporate governance. It prepares appointments to the Board of Directors and the Executive Committee and advises on the succession planning process of the Company. It consists of three members of the Board.

Governance

Continued

Executive Committee

The Executive Committee (the management team), under the leadership of the CEO, is responsible for areas of management of the Company that are not specifically reserved for the Board of Directors.

The CEO, subject to the powers attributed to him, has the task of achieving the strategic objectives of the Group and determining the operational priorities. In addition, he leads, supervises and coordinates the other members of the Executive Committee, including convening, preparing and chairing the meetings of the Executive Committee.

The members of the Executive Committee are appointed by the Board of Directors on recommendation of the CEO after evaluation by the Nomination Committee. The Executive Committee is responsible for developing the Company's strategic as well as long-term business and financial plans. Key areas of responsibility also include the management and supervision of all areas of business development on an operational basis, and approving investment decisions.

The tasks and powers of the Executive Committee include the approval of investments, leasing agreements and divestments within the corporate investment guidelines. The Executive Committee approves important business projects and prepares the business plan of the Group and the budgets of the individual divisions and functions. In addition, it plays a key role – together with the Human Resources organisation – in the periodic review of the talent management programme, including succession planning for key positions. Alliances and partnerships with outside institutions, such as universities, think tanks and other business partners, are also monitored by the Executive Committee.

The members of the Executive Committee are individually responsible for the business areas assigned to them.

Governance of sustainability

The Board of Directors receives regular updates from the Executive Committee and from experts within the Company regarding the economic, environmental and social performance of the Company, including relevant risks and opportunities and adherence or compliance with relevant standards. This is assured by an information and control system the Board has at its disposal which comprises the following instruments:

- The Chairman of the Board receives invitations and minutes of Executive Committee meetings on a regular basis and the Chief Executive Officer and the Chief Financial Officer report regularly to the Chairman of the Board of Directors.
- The CEO and the Chief Financial Officer are present and report at all regular Board meetings and answer all requests for information by the Board members about any matter concerning Givaudan that is transacted. Other members of the Executive Committee and selected senior managers are regularly invited to address specific projects at regular Board meetings. All members of the Executive Committee have a duty to provide information at meetings of the Board of Directors on request.
- The Head of Internal Audit and the Corporate Compliance Officer report to the Board once per year. The Board also receives annual reports on Environment, Health and Safety, Sustainability and Risk Management.

Ethics and integrity

G4-56: Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics

Givaudan has introduced 'Principles of Business Conduct', a code of conduct for the entire Givaudan Group. The principles include:

- Compliance with the Law
- Conflicts of Interest
- Bribes, Gifts and Entertainment
- Fair Treatment of Employees
- Working Environment and Child Labour
- Environmental Compliance
- Competition Law
- Insider Dealing
- Protection of Confidential Information and Trade Secret
- Conduct in Research, Development
- Application and Creation
- Implementation.

The Principles of Business Conduct have been translated into all major Company languages and compliance training on the Principles has been provided in all Company languages too.

The Principles can be downloaded [here](#).



Economic

This section concerns the economic dimension of sustainability and Givaudan's impacts on the economic conditions of its stakeholders and on economic systems at local, national, and global levels.

In this section:

34 Economic performance

36 Procurement practices

Economic performance

It is our fiduciary duty to shareholders to ensure that Givaudan's business is financially sustainable in the short-, medium- and long-term.

Our commitments

- Mid-term, the overall objective is to grow organically between 4.5% and 5.5% per annum
- Givaudan expects to outgrow the underlying market and to continue to achieve its industry-leading EBITDA margin while achieving an annual free cash flow of 14% to 16% of sales by 2015
- Givaudan confirms its intention to continue to return above 60% of the Company's free cash flow to shareholders, while maintaining a medium-term leverage ratio target of below 25%.

Progress in 2014

- Givaudan Group full-year sales were CHF 4,404 million, an increase of 3.7% on a like-for-like basis and 0.8% in Swiss francs when compared to 2013. Mid-term, the overall objective is to grow organically between 4.5% and 5.5% per annum, assuming a market growth of 2-3%, and to continue on the path of market share gains. By delivering on the Company's five-pillar growth strategy – developing markets, Health and Wellness, market share gains with targeted customers and segments, research and sustainable sourcing – Givaudan expects to outgrow the underlying market and to continue to achieve its industry-leading EBITDA margin while targeting an annual free cash flow of between 14% and 16% of sales in 2015
- The EBITDA increased by 8.5% to CHF 1,053 million from CHF 970 million. An improved gross profit was the main driver behind the increased EBITDA. The Group recognised a one-off gain of CHF 42 million in the Flavour Division on

the disposal of land at its Dübendorf location in Switzerland. When measured in local currency terms, the EBITDA increased by 11.6%. The EBITDA margin increased to 23.9% in 2014 from 22.2% in 2013. Givaudan delivered an operating cash flow of CHF 806 million in 2014, compared to CHF 888 million in 2013, driven by a higher EBITDA offset by short-term working capital requirements. As a percentage of sales, working capital increased, as customer accounts receivables were exceptionally high at the end of the year

- At the Annual General Meeting on 19 March 2015, Givaudan's Board of Directors will propose a cash dividend of CHF 50.00 per share for the financial year 2014, an increase of 6.4% versus 2013. This is the fourteenth consecutive dividend increase following Givaudan's listing at the Swiss stock exchange in 2000. The total amount of this distribution will be made out of reserves for additional paid-in capital which Givaudan shows in equity as at the end of 2014.

How we manage this issue

We continue our commitment to outperform the underlying markets and further expand our leadership position in the industry. The key pillars of our five-year strategy are:

Developing markets: We continue to focus on the opportunities for growth offered by the world's developing markets, where consumer demand remains high for packaged food and beverages as well as household and personal care products. Our sales in these markets accelerated in 2014 and accounted for 46% of Group sales.

Research and Development: Creative and innovative Research and Development (R&D) programmes are the bedrock for Givaudan's continued commercial success. Our investment in

R&D – CHF 405 million in 2014 – significantly exceeds that of any other company in the fragrance and flavour industry. We are committed to investing for the mid- and long-term to maintain our competitive edge.

Health and Wellness: Consumers continue to demand food and beverage products that are not only good for them but also taste good. We have made significant investments in recent years that enable us to help our customers launch great-tasting, healthy food and beverage products and meet these consumer expectations. Our investments in new ingredient development, sensory methodologies and consumer understanding allow us to maintain a leading position in the Health and Wellness arena.

Sustainable sourcing of raw materials: The sustainable sourcing of raw materials is an integral part of our operations and is one of our strategic pillars, as well as being part of our Sustainability Programme. Such sourcing is essential to our business success in terms of security of supply, cost of goods, quality, environment, and health and safety.

Targeted customers and segments: We seek to help our customers drive growth in their market share, in mature as well as developing markets, through bringing innovation, consumer insight, market understanding and commercial expertise to the development of more sustainable fragrance and flavour creations. We want to build on our strategic partnerships with our main customers and develop our presence with accounts or product categories where we are under-represented relative to our overall industry position and where we have an opportunity to expand.

Economic performance

Continued

Performance indicators

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

	2009	2013	2014
Revenue	3,973 million	4,382 million	4,459 million
Operating costs	2,536 million	2,678 million	2,684 million
Payments to governments	55 million	139 million	111 million
Payments to providers of capital	213 million	416 million	496 million
Employee wages and benefits	964 million	999 million	1,003 million
Economic value retained	205 million	150 million	165 million

All figures in CHF

EC3: Coverage of the organisation's defined benefit plan obligations

The Group operates a number of defined benefit and defined contribution plans throughout the world, the assets of which are generally held in separate trustee-administered funds. The pension plans are generally funded by payments from employees and by the relevant Group companies, taking account of the recommendations of independent qualified actuaries. The most significant plans are held in Switzerland, the US, the Netherlands and the UK.

Non-pension plans consist primarily of post-retirement healthcare and life insurance schemes, principally in the US.

For full details of our defined benefit and defined contribution plans, in line with the requirements on EC3, please see our 2014 Financial Report, note 7 (p. 34-39).

Procurement practices

As a global business with operations in over 40 countries, it is imperative that we develop a strong network of suppliers to meet customer and consumer demand and to expand our market footprint.

Our vision is to source materials in ways that preserve our environment, stimulate the development and well-being of communities from which we source, and safeguard the efficient use of resources for the long term.

The sustainable sourcing of raw materials is an integral part of our operations and one of our strategic pillars, as well as being part of our Sustainability programme. It is a key issue for many of our customers who increasingly want assurances of responsible supply chain practices, traceability and provenance.

Our commitments

- Expanding our responsible sourcing initiatives ensures security of supply
- Working with our suppliers on sustainability throughout our value chains contributes to our customers increasing supply chain requirements
- Conducting regular reviews of our portfolio and implementing improvements through our ethical sourcing initiatives
- Gather information on origin of our ingredients to contribute to regulatory requirements, food safety and issue management.

Progress in 2014

Communicate with all suppliers about procurement requirements relating to social responsibility

All suppliers are informed of our requirements through a Global Vendor Expectations document. We have been continuously revising this document to reflect supply chain risks such as anti-corruption, money laundering and human trafficking. The latest revision was communicated to all suppliers in 2014.

In 2014, Givaudan was again a main sponsor of the AIM-PROGRESS Responsible Sourcing Forum, which aims to promote the commitment by manufacturers and suppliers to improve responsible sourcing standards and sustainability of the supply chain.

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

In 2014 we surpassed our 2015 objective to have 200 top suppliers register with Sedex. We now have a total of 268 key raw material suppliers registered with Sedex. These suppliers represent 68% of our raw materials spend.

In 2014, we started to include our Indirect Material & Services Suppliers in the Sedex initiative. To date, 25 IM&S suppliers have joined Sedex.

We have also made good progress toward our Supplier audits target. The total number of our suppliers audited was 144 at the end of 2014.

Identify and develop additional sustainable sourcing initiatives

We have a dedicated organisation to reinforce a direct presence in countries of origin for the sourcing of these key natural ingredients. Most members of this Origination team, which is part of our Procurement function, are based in countries of origin where we are setting up collection networks to source natural ingredients directly from producers.

Patchouli

We have established a collection network on the Indonesian island of Sulawesi for the sustainable supply of patchouli, an iconic natural raw material for fine fragrance and functional perfumery. Givaudan sources most of its patchouli oil from this collection network. Our representatives provide local producers with training support in the techniques of harvesting, preparing and distilling patchouli, for which we aim to have a reliable supply in terms of quality and quantity. The field teams use tablet computers with the Givaudan-developed I-Source programme, on which data such as the volume of essential oil purchased and the location and yield of the crop are entered. This information helps deepen our knowledge of the market.

Procurement practices

Continued

For the same ingredient and to complement our Indonesian collection network, in the northeast of the island of Borneo in Malaysia we have initiated a local, exclusive partnership agreement on a large patchouli farm with its own distillery and one tenant. With one farm and a single distillation site, this open-air laboratory enables Givaudan to develop unique, totally traceable qualities of essential oil especially for our perfumers. Givaudan has financed plantation machinery, production equipment, as well as 11 new homes for workers.

Vanilla

In 2010, we initiated an ethical sourcing programme for vanilla beans together with our long-standing partner Henri Fraise Fils in Madagascar. Vanilla supply from Madagascar is complex, due to a rural structure made up of thousands of small farmers. This raises traceability questions in the supply chain, as well as social and sustainability issues.

Our Ecocert certified organic vanilla and rural development programme aims at improving supply chain transparency and producers' living conditions. When the programme began in 2010 we initially worked with 14 villages that rely on vanilla production for their livelihood. This figure has since increased to 26 villages, representing some 2,000 organic vanilla farmers in total. Support is in the areas of food security and education. To date, we have been involved in the construction or repair and maintenance of 16 schools. Additionally, the programme promotes alternative revenue streams such as beekeeping, handicrafts, livestock and fishery. It also helps to provide better access to water and to health, and the first healthcare centre was built recently.

Other sourcing initiatives

- Procurement is overseeing projects related to sustainable sourcing of raw materials that are funded through the Givaudan Foundation, an independent non-profit organisation established in 2014. Our ethical programme for vanilla beans in Madagascar won in 2013 a Creating Shared Value award from Nestlé in the Responsible Sourcing Vanilla category. Nestlé has donated money to collaborate with us in improving the education infrastructures.
- In 2014, we signed a joint venture agreement with Henri Fraise Fils that will enable us to establish a footprint for extraction supplied by our own collection networks of strategic naturals in Madagascar. Clove leaf oil will be the first ingredient that will be sourced through our existing collection network and processed into clove extracts.
- A milestone for Origination took place in late 2014 with the inauguration of a new cassia leaf extraction plant in China. The facility is in the centre of the cassia growing area of Guangdong province and will produce cassia oil exclusively for Givaudan for use as a flavour ingredient. The new plant is a further example of our initiatives aimed at gaining better control of the quality and quantity of raw material supplies and a footprint at the origin of supply, wherever in the world. It also shows that Givaudan can successfully transform the traditional way of collecting and processing naturals to make it more secure and cost optimised while setting new standards in responsible sourcing and quality.

Develop third-party certification projects for raw materials

Vetiver in Haiti: Since 2012, Givaudan is working with a local vetiver essential oil producer and a cooperative of vetiver growers spanning three local villages. Growers are supported to improve the environmental and harvesting practices, and consequently the quality of the roots. The vetiver sourced is certified ESR (Fairness, Solidarity, Responsibility) according to Ecocert standards, with the added benefit that the crop is organic and fair trade.

Procurement practices

Continued

How we manage this issue

Givaudan's Procurement Division monitors and manages supply chain risks arising from raw material purchases. There are three main ways we raise standards in our supply chain.

Global Vendor Expectations

As a signatory to the UNGC, we use our Global Vendor Expectations document to notify raw material suppliers that they need to comply with its principles. All suppliers are informed of our sustainability requirements through this document.

Sedex and SMETA

We encourage selected suppliers to improve performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices. Some then voluntarily go on to complete the Sedex Members Ethical Trade Audit (SMETA) which requires compliance in four key responsible sourcing pillars including Labour Standards, Business Integrity, Environment and Health and Safety. Non-compliance with these standards is not an option for Givaudan. One of the benefits of SMETA is that 'an audit for one is an audit for all'. Across AIM-PROGRESS this process is known as Mutual Recognition (MR), and it helps reduce supplier 'audit fatigue'. Internally, these processes are managed by procurement. Our category managers, located around the world, play a vital role in helping to ensure compliance.

Ethical sourcing initiatives

Our pioneering Ethical Sourcing initiatives aim to achieve a medium- and long-term supply of unique raw materials in Australia, Laos, Venezuela, the Comoros Islands, Haiti, France and Madagascar. Givaudan's Ethical Sourcing programme addresses both social compliance and supply risk, and covers materials with a strategic role in our supply chain. Supply chain solutions for these materials are tailored by region but also encompass the four key pillars of Labour Standards, Business Integrity, Environment and Health and Safety. Givaudan's Origination Procurement Team, set up in 2013, takes this commitment to new levels, and is particularly focused on alleviating supply risk.

Performance indicators

EC9: Proportion of spending on local suppliers at significant locations of operation

It is 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 82.5% by value of non-raw material purchased locally in 2014. For raw materials, 27.4% by value were sourced locally in 2014. Several of the raw materials we buy cannot be sourced in countries other than the ones where it naturally grows.



Environment

This section concerns the environmental dimension of sustainability and Givaudan’s impacts on living and non-living natural systems, including ecosystems, land, air, and water.

In this section:

40	Energy
42	Water
44	Emissions
46	Effluents and waste
48	Products and services
49	Transport
50	Supplier environmental assessment

Energy

Givaudan's stated vision is to continuously drive operational excellence without compromising the environment. This is good for the environment, and good for business.

Our commitments

Improve eco-efficiency of factory manufacturing sites with a focus on greenhouse gas emissions, waste and water, and reduce our overall footprint against a 2009 baseline focusing on eco-efficiency for energy, carbon emissions, incinerated and land-filled waste, and municipal and groundwater.

Progress in 2014

Energy consumption: 20% reduction, per tonne of product, by 2020 against baseline year 2009

-17.2% (against restated 2009 baseline)

During 2014, the energy per tonne figure improved from -13.2% (restated 2013 figure) to the stated -17.2% as a result of further efficiency improvements implemented by local Green Teams and local engineering activities. Some examples of this are described later in this document. The absolute total energy figure in 2014 has increased against the 2009 baseline by just under 3%, while the production volume over the same period has increased by almost 25%.

How we manage this issue

In 2014, the Eco-efficiency Leadership Team (EELT) continued to encourage local Green Teams and local site Eco-efficiency Management Teams to further develop and update site plans with additional saving initiatives and deliver improvement initiatives. Plans are in place in most sites, many including two to three year agreed improvement targets. In this context the introduction of a dedicated Green Team Award for successful eco-efficiency projects and a regular performance reporting on site, regional, divisional and global basis are main contributors to the success. Following a decision of our Leadership Board, capital expenditure project proposals need to contain a Green Chapter, which outlines the eco-efficiency aspects of the proposed investment and includes a cost/benefit analysis, and 'puts a price on carbon'.

The target setting, documentation of improvement initiatives and regular performance reporting by individual sites are aligned with the requirements and principles of ISO 14001 Environmental Management System. To date, five Givaudan manufacturing locations have been certified against the ISO 14001 standard.

Performance indicators

EN3: Energy consumption within the organization

	2009 (restated)	2013 (restated)	2014
Direct energy: from primary sources (Gj)	1,632,589	1,739,478	1,678,076
Indirect energy: purchased electricity and steam (Gj)	897,286	1,009,193	922,754

EN5: Energy intensity

	2013 (restated)	2014
Energy saved (per tonne of product) against 2009 baseline	13.2%	17.2%

Energy

Continued

EN6: Reduction of energy consumption

Sustainable electricity saving

The Green Team in the Shanghai Flavour factory has undertaken a number of initiatives to promote electricity saving. As a result, the site saw a 3% savings in electricity over a two-year period while the production output almost doubled. In addition to awareness raising activities, improvements were related to the systematic check of potential savings on electrical appliances and equipment as well as VFD installation. The intelligent control of exhaust fan frequency and timing also contributed. The success of these initiatives was recognised with an award in September 2014 by local authorities.

Extend florhydral manufacturing

At our Sant Celoni site in Spain, the highest volume ingredient produced is florhydral. With global demand on the rise, the site was faced with doubling production in 2014. They aimed to achieve this ambitious new goal while also lessening environmental impact and increasing eco-efficiency. Manufacturing florhydral is a multi-step process that uses a combination of distillation, blending and other processes. The Green Team analysed data and identified three possible improvements that would make production more sustainable. These included: using bulk raw materials, as opposed to purchasing 'drums'; changing the gas mixing procedures to save on transport; and optimising steps in the production process. Consequently, by reverting to bulk and reducing gas requirements they managed to save 24000 KM/ per year on truck transportation of drums and 54000 KM/ per year on transportation. Over the course of the year Sant

Celoni saved a total of 150MWH of energy while doubling production of florhydral.

Energy saving workshops

In 2014, four energy-saving workshops were held in Europe and in Brazil, following the first successful workshop in the US held at the end of 2013. With participants from different locations and with the help of a completed energy self-assessment tool (developed in-house), energy (and water) saving opportunities were identified during a 3-day intensive workshop. Most of the opportunities identified relate to lack of attention, unnecessary spillages, unnecessary running of equipment or insufficient maintenance.

An example of achievements comes from the Devon site in the US. Large equipment was identified as contributing to high energy consumption on weekends (odour control, dust control, lights, CIP equipment, etc.). Efforts were made to understand the shut-down impact, then Standard Operation Procedures were written and routine shutdowns were organised when viable. As a result, a projected annual saving of over 700,000 kWh electricity, 70,000 m³ of natural gas as well as 7,000 m³ of water is forecast.

EN7: Reductions in energy of products and services

Buying in green energy to reduce emissions

Givaudan Indirect Material & Service Suppliers (IM&S) has agreed to buy green energy that will meet our electricity needs and reduce our carbon footprint. Electricity accounts for almost 34% of the total energy used by the manufacturing sites, but equates to 50% of our total scope 1 and scope 2 CO₂ emissions. The initiative began in 2011. Highlights of the programme in 2014 were:

100% green electricity at our site in Barcelona, Spain

Greener electricity at our sites in Japan and France.

The CO₂ emission load per purchased kWh of electricity further reduced by 3.5% compared to 2013 while against 2009 baseline this figure is 13.9%. Of all electricity purchased almost 33% (24% in 2013) is produced from renewable sources, while 52% is carbon free (46.5% in 2013).

Water

Givaudan's stated vision is to continuously drive operational excellence without compromising the environment. This is good for the environment and good for business.

Our commitments

– Improve eco-efficiency of factory manufacturing sites with a focus on greenhouse gas emissions, waste and water, and reduce our overall footprint against a 2009 baseline focusing on eco-efficiency for energy, carbon emissions, incinerated and land-filled waste, and municipal and groundwater.

Progress in 2014

Water use: 15% reduction, per tonne of product, by 2020 (for municipal and groundwater) against baseline year 2009

-11.7% (against 2009 baseline)

During 2014, the water consumption per tonne figure improved from -6.8% (restated 2013 figure) against baseline to the stated -11.7%. The main reasons for this improvement are the successful commissioning of a new factory and the related production closure of two factories combined with the efficiency improvements implemented by local Green Teams and local engineering activities at other Givaudan sites. This includes as well the successful outcoming of the energy workshops as described in EN6.

How we manage this issue

In 2014, the Eco-efficiency Leadership Team (EELT) continued to encourage local Green Teams and local site Eco-efficiency Management Teams to further develop and update site plans with additional saving initiatives and deliver improvement initiatives. Plans are in place in most sites, many including two to three year agreed improvement targets. In this context the introduction of a dedicated Green Team Award for successful eco-efficiency projects and a regular performance reporting on site, regional, divisional and global basis are main contributors to the success. Following a decision of our Leadership Board, capital expenditure project proposals need to contain a Green Chapter, which outlines the eco-efficiency aspects of the proposed investment and includes a cost/benefit analysis, and 'puts a price on carbon'.

The target setting, documentation of improvement initiatives and regular performance reporting by individual sites are aligned with the requirements and principles of ISO 14001 Environmental Management System. To date, five Givaudan manufacturing locations have been certified against the ISO 14001 standard.

Performance indicators

EN8: Total water withdrawal by source

Water intake (m³)	2009 (restated)	2013 (restated)	2014
Municipal water	2,286,999	2,602,993	2,379,183
Groundwater	1,074,035	1,318,604	1,309,789
Municipal and groundwater	3,361,034	3,921,597	3,688,972
Surface water	7,432,649	5,150,236	5,007,034
Total water*	10,793,683	9,071,833	8,696,006

* Includes sanitary, cooling and process water

Water

Continued

EN8: continued

Water saving initiatives with effect

At the Jigani site in India, two projects were implemented to reduce water consumption and electricity use, which enabled reducing absolute water use by 24% while production output increased on an annual basis by over 9%. The first project concerns the automation of water flow for the washing of mixing tanks and mobile pans thus avoiding overdosing of water. The second project concerned uncovering underground water pipes. This rerouting made them more visible which allows for early detection and reparation of leaks.

Water reduction at Carthage site

Savings opportunities were identified through better regulating and shutting off continuous water users such as dust scrubbers, vacuum pumps as well as distillation system condensers. For example, the installation of new solenoid and control valves in the scrubbers and the vacuum pumps reduced water consumptions. Consequently the monthly water consumption dropped by 8%. The project regarding the distillation system condenser is expected to bring another 5-10% reduction.

Optimising water consumption

At our new factory in Hungary commissioned in 2013, the production output approximately doubled in 2014. In the commissioning period, the water consumption was relatively high. To eliminate the risk of water supply outage and waste water treatment capacity overload, a task force was put in place to reduce the factory's water consumption. Several initiatives were developed and implemented, including amongst other examples, the flow-through water cooling of stirring motors that was re-circulated to the cooling system. The constant, uncontrolled cooling water of the boiler house was strongly reduced as well as water cooling of stirrers of the spray drier. As a result, a significant reduction of water use has been achieved (estimated at 60m³/day), which is reflected in a comparable total water consumption in 2014 compared to 2013, while output doubled.

Rain water harvesting at Jigani site

At our Jigani site in India, water requirements have historically been met by purchasing water, which was delivered by road-tankers. In 2012, however, the Jigani Green Team introduced a project for the site to harvest its own rain water through enriching existing dry bore-wells, which were put into operation quickly making the site self-sufficient for its water needs. In 2014, the site went one step further, taking advantage of its geographical low lying position and collecting rain water from neighbouring higher contours. In moving from a water-starved site, to a water-rich site, not only does Jigani take advantage of a natural resource it also aids the local community in its water resourcing. Today, the site consumes 8,000 m³ of ground water per annum and actually gives back 12,000 m³. Other eco-efficiencies include the reduction in purchased water – carried in road-tankers – thus reducing transport costs, and CO₂ emissions.

Emissions

Givaudan's stated vision is to continuously drive operational excellence without compromising the environment. This is good for the environment and good for business.

Our commitments

– Improve eco-efficiency of factory manufacturing sites with a focus on greenhouse gas emissions, waste and water and reduce our overall footprint against a 2009 baseline focusing on eco-efficiency for energy, carbon emissions, incinerated and land-filled waste and municipal and groundwater.

In particular, we are focused on:

– reducing carbon emissions as far as possible. We are determined to achieve year-on-year improvements, with an ultimate aspiration of zero carbon emissions.

Progress in 2014

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

-24.6% (against restated 2009 baseline)

During 2014, the CO₂ per tonne figure improved from -19.5% (restated 2013 figure) to the stated -24.6%, as a result of further efficiency improvements and investments implemented by local Green Teams and local engineering activities.

Some examples of this are described later in this document.

The absolute total direct and indirect CO₂ emission has decreased against the 2009 baseline by 13,700 metric tonnes (i.e. 6.3%), while the production volume over the same period has increased by almost 25%.

How we manage this issue

In 2014, the Eco-efficiency Leadership team (EELT) continued to encourage local Green Teams and local site Eco-efficiency Management Teams to further develop and update site plans with additional saving initiatives and deliver improvement initiatives. Plans are in place in most sites, many including two to three year agreed improvement targets. In this context the introduction of a dedicated Green Team Award for successful eco-efficiency projects and a regular performance reporting on site, regional, divisional and global basis are main contributors to the success. Following a decision of our Leadership Board, capital expenditure project proposals need to contain a Green Chapter, which outlines the eco-efficiency aspects of the proposed investment and includes a cost/benefit analysis, and 'puts a price on carbon'.

The target setting, documentation of improvement initiatives and regular performance reporting by individual sites are aligned with the requirements and principles of ISO 14001 Environmental Management System. To date, five Givaudan manufacturing locations have been certified against the ISO 14001 standard.

Monitoring carbon emissions

We participated in the annual CDP survey for Investors as well as in the Supply Chain survey at the request of a number of customers. This year's performance score was B (on a scale of A-E with A being the highest) and the disclosure score was 89 (against a CDP-average of 53). 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.

Emissions

Continued

Performance indicators

EN15: Direct greenhouse gas (GHG) emissions (Scope 1)

GHG emissions (tonnes)*	2009 (restated)	2013 (restated)	2014
Scope 1: from direct energy sources	102,453	103,559	98,001

EN16: Energy indirect greenhouse gas (GHG) emissions (Scope 2)

GHG emissions (tonnes)*	2009	2013 (restated)	2014
Scope 2: from indirect energy sources	113,687	114,259	104,455

* Greenhouse gas data are limited to CO₂ emissions

EN17: Other indirect greenhouse gas (GHG) emissions (Scope 3)

GHG emissions (approximate tonnes)	2013	2014
Scope 3: Business travel	14,950	14,020
Scope 3: Outbound product transport**	37,000 (restated)	34,620
Scope 3: Commuting	14,700 (as 2012)	not available
Scope 3: Packaging	50,385 (restated)	52,397

* The majority of this data was collected through our global travel agent and we added an estimate, based on purchased tickets, to cover the three countries in Asia which book business travel locally.

**The figures include outbound transport by air, ship and road

EN19: Reduction of greenhouse gas (GHG) emissions

In 2014, a significant intensity based and absolute reduction of CO₂ emissions has been realised. This is the result of the many initiatives at our manufacturing sites to reduce energy consumption (see examples under EN6) as well as an increased use of electricity produced from renewable sources (EN7). The latter is particularly the case for our factory in Spain and Japan.

For further initiatives on greenhouse gas emissions and reductions achieved, please refer to EN6 and EN7.

EN20: Emissions of ozone-depleting substances (ODS)

Ozone-depleting substances	2009	2013 (restated)	2014
CFC inventory (kg)	15,714	10,756	11,253
CFC 11 equivalent inventory (kg)	not available	641	654
CFC loss-replacement (kg)	1,393	1,263	854
CFC 11 equivalent loss/replacement (kg)	not available	70	52

EN21: NO_x, SO_x, and other significant air emissions

Other significant air emissions	2009	2013 (restated)	2014
Nitrogen oxides – NO _x tonnes*	1045	104.2	79
Sulphur dioxide – SO ₂ tonnes	359	269.8	1.2
Volatile organic compounds (tonnes)	not available	437	438

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

The strong drop in SO₂ emissions is related to the fact that the use of heavy fuel oil in a site was ceased.

Effluents and waste

Givaudan's stated vision is to continuously drive operational excellence without compromising the environment. This is good for the environment and good for business.

Our commitments

– Improve eco-efficiency of factory manufacturing sites with a focus on greenhouse gas emissions, waste and water, and reduce our overall footprint against a 2009 baseline focusing on eco-efficiency for energy, carbon emissions, incinerated and land-filled waste and municipal and groundwater.

In particular, we are focused on:

- encouraging the redesign of resource life-cycles so that waste generation is minimised, with any unavoidable waste products being reused or recycled. Our ultimate aspiration is to achieve zero waste
- designing our processes to minimise noise and odour emissions
- reducing the volume of effluents by reducing the intake of water from municipal and/or groundwater sources.

Progress in 2014

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

-36.7%% (against restated 2009 baseline)

During 2014, the waste reduction per tonne figure improved from -32.5% (restated 2013 figure) to -36.7%, as a result of further efficiency improvements and investments implemented by local Green Teams and local engineering activities. In addition to the stated local activities, this relatively big improvement also originates from the fact that we as part of our participation in the Dow Jones Sustainability Index programme, have endorsed their waste classification definitions; this implies amongst others that waste material that has a positive value for

the company because it can be used as a fuel in a boiler house or is 'sold' to a waste handling company, is classified as 'recycled waste'. Increasingly over the years of reporting we have seen that part of our waste materials has a positive value and meets the described criteria. Some waste reducing initiatives are described further in this document.

How we manage this issue

In 2014, the Eco-efficiency Leadership Team (EELT) continued to encourage local Green Teams and local site Eco-efficiency Management Teams to further develop and update site plans with additional saving initiatives and deliver improvement initiatives. Plans are in place in most sites, many including two to three year agreed improvement targets. In this context the introduction of a dedicated Green Team Award for successful eco-efficiency projects and a regular performance reporting on site, regional, divisional and global basis are main contributors to the success. Following a decision of our Leadership Board, capital expenditure project proposals need to contain a Green Chapter, which outlines the eco-efficiency aspects of the proposed investment and includes a cost/benefit analysis, and 'puts a price on carbon'.

The target setting, documentation of improvement initiatives and regular performance reporting by individual sites are aligned with the requirements and principles of ISO 14001 Environmental Management System. To date, five Givaudan manufacturing locations have been certified against the ISO 14001 standard.

Waste reduction initiatives

Following Green Team and engineering initiatives, several of our sites have reported significant waste reduction figures

on a per tonne produced basis. An example of such initiatives concern our site in Carthage (US) where organic waste streams generated from an extraction process are now collected in dedicated water tight dumpsters. The content is sent to a contractor who composts the material. Before this set-up was made, the material was land-filled. It is anticipated that about 100 tonnes of this organic waste can be diverted from land-fill.

At the Dübendorf site (Switzerland) a reduction of packaging used for transporting waste materials and the introduction of pallet and IBC recycling by a third-party contractor, has led to a reduction in the quantity of waste sent to land-fills or incineration. The expected reduction is up to 100 tonnes per year.

Both described case studies are contributing to our efforts to reduce land-filling of waste.

Biodegradability

Givaudan's biodegradability programme has been built on the expertise of our internationally recognised scientists who have developed novel methods to understand the fate of fragrance raw materials in the environment. This has resulted in the development and use of biodegradable fragrance materials that today represent over 50% of the total number of materials used for creation. This commitment to environmentally responsible materials has enabled Givaudan to meet ever-increasing requirements of regulators such as REACH in Europe or the EPA in the US who are encouraging industry to design in safety. As an example the US EPA has recognised Givaudan through their Sustainable Futures Program to be consistently delivering new fragrance materials to the market with high environmentally responsible designs.

Effluents and waste

Continued

Performance indicators

EN22: Total water discharge by quality and destination

	2009 (restated)	2013 (restated)	2014
Water discharge (m³)			
To the environment without biological treatment	7,509,123	4,921,749	4,607,643
To the environment after biological treatment	1,928,725	2,000,449	1,952,078
To external treatment facility without pre-treatment	355,458	560,372	424,394
To external treatment facility after pre-treatment	1,311,436	1,717,098	1,754,174
Total discharged water	11,104,742	9,199,668	8,738,289

The slightly higher total volume of discharged water compared to water intake is caused by the treatment of waste water of a local community at one of our manufacturing sites.

Quality monitoring of waste water

As part of our Sustainability programme we have started to monitor the quality of waste water which is discharged into the environment after or without biological treatment. By the start of quarter 2 of 2014 the sites for which this is applicable have been analysing the water quality through COD analysis. The resulting total quantity of COD discharged in a nine-months period has been measured and calculated at 255.5 metric tonnes.

EN23: Total weight of waste by type and disposal method

	2009 (restated)	2013 (restated)	2014
Hazardous waste (tonnes)			
Incinerated	14,050	9,844	9,536
Incinerated with energy recovery *	not available	4,906	4,673
Land-filled	728	376	533
Recycled	3,313	12,233	14,197
Total hazardous waste	18,091	22,453	24,266
Hazardous waste	2009 (restated)	2013 (restated)	2014
Incinerated	3,058	2,974	2,245
Incinerated with energy recovery *	not available	1,235	843
Land-filled	6,695	7,565	6,973
Recycled	16,350	28,663	29,866
Total hazardous waste	26,103	39,202	39,084

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

The % of the total generated waste which is recycled is growing from 44.5% in baseline year to almost 70% in 2014. The 2014 figure increases to 78% when incineration with 75% energy recovery is also classified as 'recycled'.

Products and Services

Most of the products we manufacture and sell are used as an ingredient in consumer products.

In order to minimise the environmental impact of these consumer products, it is important to understand the impact of our products and aim to minimise this impact.

Our commitments

- Engage with customers to develop new technologies for healthier and sustainable products
- Do more with less, promoting innovative design based on concentrated quality and compacted fragrances
- Ensure our products are not persistent in the environment after their use.

Our ultimate aspiration is to create products that are designed and developed in line with sustainability principles, and by consequence are 100% sustainable by design.

How we manage this issue

Our innovation and development teams regularly conduct sustainability-related research programmes to design more sustainable products using green chemistry principles and through sustainability profiling studies.

Givaudan has completed the biodegradability screening of all our perfumery ingredients, including natural materials. Rich with more than 20 years' experience in the biodegradability testing of fragrance ingredients, Givaudan has an extensive database on the biodegradability of fragrance ingredients.

For flavours, all our products are consumed at the end of their life cycle, so do not cause disposal issues.

Performance indicators

EN27: Mitigation of environmental impacts of products and service

Eco efficiency progress

For many years we have been working on reducing the use of utilities and the generation of waste going to land filling or incineration. The table below covers the development of the indicators at our manufacturing sites over the period 2013-2014.

Average indicator value per tonne of product produced by Givaudan

Indicator	% reduction improvement 2013-2014
Used energy (Gjoules/tonne)	4.6%
emitted CO ₂ (kg/tonne)	6.3%
Water usage (m ³ /tonne)	5.2%
Waste* generated (kg/tonne)	6.4%

*waste going to land-filling or incineration

Extend production while reducing energy

At our Sant Celoni site in Spain, one key ingredient produced faced double production in 2014. The local team identified improvements and managed to save 150MWH of energy over the year.

Water saving initiative

At the Jigani site in India two projects were implemented to reduce water consumption (as well electricity usage). During 2014 an absolute water reduction of 24% was realised while production output increased on an annual basis by over 9%.

Waste reduction initiative

An example of such initiatives concern our site in Carthage (US) where organic waste streams generated from an extraction process is now collected in dedicated water tight dumpsters. The content is sent to a contractor who composts the material. Before this set-up was made the material was land-filled. It is anticipated that about 100 tonnes of this organic waste can be diverted from land-filling.

Transport

Delivery of finished or intermediate products to our customers or other Givaudan manufacturing sites is an important step in our value chain.

The associated carbon footprint with transport is significant in relation to the footprint of our manufacturing activities.

Our commitments

–Sustainable logistics offers opportunities to improve the efficiency through reduced fuel usage and therefore lower transport costs.

How we manage this issue

We monitor the environmental impact associated with different transport modes through CO₂ emissions. Contractors who transport our products are increasingly producing carbon footprint reports, which allows Givaudan to establish a baseline. A programme with targets for improvements will be developed from this baseline. In 2014, we continued our programme to reduce reliance on air cargo to transport products.

Supply chain project to reduce our carbon footprint

In 2012, we set up a Global Transportation Project to reduce freight spend and share best practices across the Company. The initiative also focused on identifying carbon savings through transport and distribution efficiency – in particular through shipment consolidation and by changing the mode of transport to less carbon intensive forms. Through close cooperation with supply chain managers in each of the regions, customer care managers and local site transportation managers, we have consolidated our approach to transportation – across air, sea and road freight modes of transport. The project has also improved consolidation of products distributed between production sites and warehouses and production sites and customers.

Performance indicators

EN30: Significant environmental impacts of transporting products and other goods and materials for the organisation's operations, and transporting members of the workforce

Product transportation: With the help of transport companies that operate on a global or regional basis, we have established the carbon footprint of outbound transport covering air, ship and road. In 2014 this figure was approximately 34,620 metric tonnes of CO₂, 6.4% less than the corrected figure for 2013 of 37,000 tonnes. The reduction is the result of Givaudan Supply Chain professionals' dedication to actively manage the transport network in order to reduce environmental impact.

The biggest saving has been in reducing the transport by air cargo. With a dedicated project approach in the Flavour Division, a 14% reduction (by weight) of air cargo for intercompany deliveries has been achieved. For the first time, carbon footprint data was collected for inbound raw materials for which transport was organised by Givaudan; for about 26,000 tonnes of raw materials the transport footprint was about 4,760 tonnes of CO₂.

Transport related incidents: Four small transport/packaging related incidents were reported via our external emergency response provider. With the help of this provider all incidents were controlled and three of the four minor in nature. In all three cases it concerned small leakages from the packages that were damaged during off-loading and in a transit warehouse. One incident involved a person cleaning an accidental spill, who

had possibly inhaled fumes from the product which gave him a pain in his throat the next day. The provider advised the person to go to the doctor as a precaution.

Employee air travel: In 2014 employee travel – in terms of distance flown – was reduced slightly despite a higher level of business activity. Using more up-to-date CO₂ conversion factors for different type of planes, which reflects the higher efficiency in fuel consumption of modern planes, the calculated CO₂ emissions was 14,020 metric tonnes, which is approximately 6% less compared to the 2013 published figure.

Employee commuting: During 2012 an employee survey about commuting practices was organised through the Green Teams. Based on collected responses, the footprint was estimated at 14,700 metric tonnes. A new survey will be organised to establish possible reductions since 2012.

Packaging of finished product: Our SAP systems allow us to retrieve global data for the different types of packaging used. Combining these data with standard carbon footprint information from our suppliers, enabled us to estimate the 2014 footprint for packaging at 52,397 metric tonnes, which is about 4% higher compared to 2013. The reason for this increase is related to a 1.6% increase in packaging units used, and a slight shift towards packaging with a higher footprint per unit (e.g. steel and plastic drums).

Supplier environmental assessment

Responsible sourcing of raw materials is an important element of Givaudan's Sustainability programme, and a key issue for many of our customers who increasingly want assurances of responsible supply chain practices, traceability and provenance.

As a signatory of the ten principles of the United Nations Global Compact, Givaudan holds itself to a high ethical and social standard of human rights, labour standards, and anti-corruption. Givaudan has its Principles of Business Conduct, which require it, among others, to comply with all applicable laws and regulations.

By consequence Givaudan has similar expectations of its vendors.

As per the United Nations Global Compact principles 7-9, we expect the suppliers to support a precautionary approach to environmental challenges, to take initiatives which promote greater environmental responsibility and to encourage the development and implementation of environmentally friendly technologies.

How we manage this issue

Givaudan initiates the vendor management programme as early as possible when developing new relationship with suppliers. This is communicated using the vendor expectation document.

Givaudan initiates the vendor management programme as early as possible when developing new relationships with suppliers. This is communicated using the vendor expectation document.

Givaudan suppliers are categorised and assessed for their potential risk – the extent to which they have opportunities to introduce positive changes in their system. These risks include supply, health and safety challenges, Human Rights, political instability or risk related to weather, which could destroy a key crop and cripple a community.

We encourage selected suppliers to improve performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices. Some then voluntarily go on to complete the Sedex Members Ethical Trade Audit (SMETA) which requires compliance in four key responsible sourcing pillars including Labour Standards, Business Integrity, Environment and Health and Safety. Non-compliance with these standards is not an option for Givaudan. One of the benefits of SMETA is that 'an audit for one is an audit for all'. Across AIM-PROGRESS this process is known as Mutual Recognition (MR), and it helps reduce supplier 'audit fatigue'. Internally, these processes are managed by procurement. Our category managers, located around the world, play a vital role in helping to ensure compliance.

Performance indicators

EN32: Percentage of new suppliers that were screened using environmental criteria

All new relationships between Givaudan and vendors are developed under vendor requirement guidelines as reference material.

We encourage selected suppliers to improve their performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices.

- Total number of significant suppliers identified: 400
- Total number of suppliers assessed to date: 256
- Total number of suppliers assessed in 2014: 52
- Percentage of suppliers assessed to date: 64%
- Percentage of suppliers assessed in 2014: 13%



Labour practices

This section concerns the social dimension of sustainability and Givaudan's impacts on, and responsibilities to, employees of the Company, including how people issues are managed.

In this section:

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| 55 | Occupational health and safety |
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| 58 | Diversity and equal opportunity |
| 59 | Equal remuneration for women and men |
| 60 | Supplier assessment on labour practices and decent work |

Employment

Rather than viewing organisational processes as ways of extracting more economic value, the best companies have a purpose beyond creating economic value.

For Givaudan, this includes providing meaningful and rewarding jobs, and enhancing employees' quality of life.

Our commitments

–Engage employees in making a positive difference.

We are committed to offering a workplace where people are able to achieve their career aspirations, be rewarded for their performance, and be given the best development opportunities.

How we manage this issue

As long-term success is built with the strength of our people, Givaudan aims to equip our business leaders with the skills they need to excel while developing and challenging them, and rewarding talents in a performance-driven culture which promotes respect, openness and diversity.

Calculation basis

All labour related indicators in this report are related to headcounts, except on page 6 and 11 where numbers of employees is full-time equivalent.

Recruitment and development

We are committed to helping our employees to develop their full potential through attractive opportunities. We are also actively managing our talent pipeline to ensure the sustainability and leadership positions of Givaudan. We give our people the time to learn and the right exposure to ensure their career growth, adopting a flexible approach to each person's skills and personal situations, wherever we can. In 2013 we implemented 'Engage', our integrated and comprehensive online platform available to managers and employees that

centralises the majority of people processes related to recruitment, performance and development. At the end of 2014 we launched our leadership programmes, aimed at developing our employees, from first-time managers to members of our executive community.

Compensation and benefits

Compensation is a key component of Givaudan's people management strategy. Our philosophy is to provide market-competitive and fair compensation, while rewarding employees for individual and business achievements. Givaudan's wide-ranging benefits package is constantly assessed to make sure it is competitive and thorough. It includes comprehensive benefits to help employees meet their retirement, healthcare, income-protection and time-off needs. Our Rewards strategy is currently being updated in order to meet management and employee expectations, especially in terms of providing more benchmarking transparency and filling in the gaps in the areas of rewards education and communication.

Work-life balance

Givaudan published a work-life balance position statement in March 2012.

Givaudan Engagement Survey

Givaudan's first ever all-employee Engagement Survey was conducted in October 2013. It aimed to measure employee engagement across regions and divisions, to understand the key drivers of engagement in our Company.

Results were very strong. For example 95% of our employees said they would still like to be working at Givaudan in 12 months' time. Positive feedback was received especially regarding our working environment, our culture of continuous improvement and our alignment to common goals. But we also want to continuously improve and challenge ourselves.

We identified three key areas of improvement from the findings of our first Employee Engagement Survey, conducted in late 2013:

- Career: Achieving employees' goals and providing recognition
- Collaboration: Sharing knowledge across our business
- Inclusiveness: Enabling everyone's best contribution

The Executive Committee and management committees have finalised key commitments under each of these global priorities:

- For Career, we are focusing on performance and development and encouraging recognition and reward for performance that goes 'above and beyond'.
- For Collaboration, we are making it easier for colleagues to share knowledge and connect with others around the business.
- For Inclusiveness, we will focus on the diversity of our business in senior positions, and promote Givaudan's common values and ways of working.

Employment

Continued

Performance indicators

LA1: Total number and rates of new employee hires and employee turnover by age group, gender and region

Employment contracts initiated

Region	Age range <30	Age range 30-50	Age range >50	Female	Male
Asia Pacific	168	182	5	160	195
Europe, Middle East, Africa	267	295	22	192	392
Latin America	88	89	1	66	112
North America	78	91	25	78	116
Total	601	657	53	496	815

Employment contracts terminated

Region	Age range <30	Age range 30-50	Age range >50	Female	Male
Asia Pacific	62	115	21	95	103
Europe, Middle East, Africa	108	232	96	157	279
Latin America	39	91	14	55	89
North America	44	84	74	71	131
Total	253	522	205	378	602

Turnover rate (%)*

Region	Age range <30	Age range 30-50	Age range >50	Total	Female	Male
Asia Pacific	15%	7%	9%	9%	9%	8%
Europe, Middle East, Africa	17%	8%	9%	9%	10%	9%
Latin America	16%	11%	11%	12%	13%	11%
North America	21%	8%	11%	11%	10%	11%
Total	17%	8%	10%	10%	10%	10%

* Turnover calculation is based on number of terminations divided by total headcount during the reporting period

Labour/management relations

Businesses face many uncertainties in the rapidly changing global market.

Establishing genuine dialogue with freely chosen workers' representatives enables both workers and employers to understand each other's challenges better and find ways to resolve them.

Our commitments

– Embrace diversity throughout our organisation and create an engaged and inclusive workforce.

How we manage this issue

Givaudan supports the freedom of employees to join trade unions or other employee representative bodies, provided these bodies are properly constituted and in line with local laws and practices. Givaudan does not discriminate based on employee membership of, or association with, these bodies and seeks to enter into constructive discussions at all times. One example is the recent revision to the European Works Council Agreement to take into account the most recent EU directives.

We continue to hold regular European Works Council consultations with a group of employees, which represents work council members from all EU member states where we have operations. The purpose is to keep employees informed and consulted about significant structural changes in the organisation, and to report any feedback to the Executive Committee. The Givaudan Sustainability programme updates are regularly discussed with the European Works Council.

Performance indicators

LA4: Minimum notice periods regarding operational change

Legal local notice period prior to the implementation of significant operational changes that could substantially affect our employees is respected either through direct communication to our employees or through their elected representatives.

Works councils or other employee representatives are present in most of our locations.

Occupational health and safety

An essential part of being a responsible company and employer is the health and safety of our employees, and the protection of the environment in which we operate.

Our commitments

– Reduce incidents by strengthening workplace environment, safety behaviour and awareness.

Our ultimate health and safety aspiration is to eliminate accidents. Our primary means to achieving this aspiration is through a 'Zero is Possible' behavioural-based safety awareness programme designed to develop a strong culture in which every employee takes responsibility for their own safety, the safety of the people around them and the safety of the environments in which we operate.

Progress in 2014

Conduct 'Zero is Possible' behavioural safety programme

We continued to build on our SafeStart™ safety awareness training, which is part of our global behavioural safety programme 'Zero is Possible'. This included the introduction in 2014 of 'Our Safety Ground Rules'. These rules, designed by employees, will be a catalyst to take our safety performance to the next level by addressing common situations that may be encountered every day. The rules leverage the benefits of SafeStart™ training and key learnings from all accidents, near-misses and unsafe situations reported throughout Givaudan since 2009.

LTI rate below 0.1 by 2020

The 2014 LTI rate decreased by 18% compared to 2013 at 0.36 (close to our 2014 target set at 0.34).

How we manage this issue

Execution of 'Zero is Possible', an instrumental programme of our Global EHS Strategy

The execution of our Global EHS Strategy is facilitated by our network of local, regional and global EHS professionals, recognised as valued partners for our operations and business teams. Guidance, project management support and governance advice is provided by our Corporate EHS Centre of Expertise in the field of:

- hazardous material compliance (industrial safety, dangerous goods transport, data compliance management, material stewardship, packaging and labelling)
- occupational health (identification, evaluation and control of potential health hazards in the workplace, medical surveillance and documentation)
- process safety management (standardised approaches to process risk assessment, odour emissions control, engineering support, internal audits, business continuity planning and global safety laboratory)
- occupational safety (technical safety, behavioural-based safety).

With actions visible on a daily basis, the 'Zero is Possible' programme started in 2009 with the ultimate goal to get to zero occupational incidents. This programme consists of safety leadership training for line managers, a new set of Safety Ground Rules and globally rolled-out employee awareness training covering the behavioural aspects of occupational health and safety. As part of this programme, we are rolling out SafeStart™ training in all our manufacturing locations and

progressively expanding it to commercial sites. These activities facilitate the implementation of proactive behavioural audits called safety contacts as well as periodic workplace inspections. Last but not least, every location receives a yearly pre-defined local safety target aligned with and contributing to the global objective in accident reductions.

Occupational health and safety

Continued

Performance indicators

LA6: Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

Health and safety data

	2009	2013 (restated)	2014
Fatalities	0	0	0
Number of LTIs	79	37	31
LTI rate	1.03	0.44	0.36
Lost day[*] rate	N/A	9.61	9.64
Number of Restricted Work Cases (RWC)	28	27	32
Number of Medical Treatment Cases (MTC)	28	41	40
Number of Total Recordable Cases (TRC)	135	105	103
Total Recordable Case Rate^{**}	1.76	1.26	1.21
Number of lost days	N/A	803 (includes 323 days carried over from 2012)	823 (includes 320 days carried over from previous years)
Number of hours worked	15,341,093	16,712,479 ^{***}	17,080,935 ^{***}
Absenteeism	N/A	2.97% ^{****}	2.84% ^{****}

^{*} Number of lost work days resulting from work-related accidents per 200,000 working hours. Calculation based on scheduled work days lost from the day after the accident

^{**} LTI and TRC are both according to the official OSHA definitions

^{***} 7.9% of these represent external contractors for whom the Company is liable (Temps)

^{****} Compared to the number of normal available working days, includes correction for employees working on a part-time basis

Total recordable cases by region and gender

Region	Number of total recordable cases – female	Number of total recordable cases – male
Asia Pacific	2	15
Europe, Middle East, Africa	2	33
Latin America	1	5
North America	5	40
Total	10	93

LTI rate – Lost day rate by region – Absenteeism

Region	LTI rate	Lost day rate	Absenteeism
Asia Pacific	0.32	11.19	1.54%
Europe, Middle East, Africa	0.36	1.58	3.64%
Latin America	0.08	0.47	1.17%
North America	0.68	35.79	3.37%

Training and education

An employee who receives the necessary training is better able to perform his/her job. Continuous training also keeps employees on the cutting edge of industry developments.

Employees who are competent and on top of changing industry standards help companies hold a position as a leader and a strong competitor within the industry.

Our commitments

– Develop visionary, inspiring and challenging leaders who will achieve our ambitious targets, and ensure our future success.

How we manage this issue

We are fostering a learning culture where more and more employees can take stock of their own skills progress and education needs. Wherever possible, employees deal with challenging and stretching assignments and constructive team feedback is becoming more widespread.

We are keen that Givaudan's line managers should regard themselves, increasingly, as 'talent champions': they should be committed to offering people flexible and wide-ranging development opportunities so they can maintain and increase their employability and boost their job satisfaction.

Givaudan developed its Learning & Development strategy to strengthen capabilities and to develop a high-performance culture. This strategy is articulated around four priorities:

1. Culture and onboarding
2. People management and leadership
3. Core business skills
4. Functional excellence

Our learning strategy encourages the 70/20/10 concept:

–learning by doing (70%)

–learning from others (20%)

–structured learning (10%).

In 2013 we implemented 'Engage', our integrated and comprehensive online platform available to managers and employees, which centralises the majority of people processes related to recruitment, performance and development. As part of Engage, a Learning Management System (LMS) is also now available, which enables Givaudan employees to register with courses online.

Both the Fragrance and Flavour Divisions are now conducting Business Master Classes to train, educate and develop their Global Sales Force. The Fragrance Division has extended the Business Master Class concept to its Fragrance Development Teams.

End of 2014 we launched our leadership programmes, aimed at developing our employees, from first-time managers to the members of our executive community.

Givaudan's compliance training programme was also a focus area in 2014. The e-training programme on Givaudan's Principles of Business Conduct is mandatory for all employees, except those in the US, who accomplish a similar programme adapted to the specific US requirements.

4,830 employees, including all members of the Leadership board have completed the specific anti-bribery training.

Performance indicators

LA11: Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

Female	80%
Male	45%

Disclosure: the calculation for this indicator has changed compared to 2013. Previously, we did not have an integrated tool that could enable us to automatically retrieve employees who were receiving regular performance and career development reviews. We were therefore taking the assumptions that all our employees participating in our Incentive Plan were in scope.

We now have rolled-out our integrated and comprehensive online platform "Engage" (still on-going) and are now including in this indicator employees having filled an online performance and development in the system.

Diversity and equal opportunities

Equal opportunity is necessary in order to cultivate a set of leaders with legitimacy in the eyes of employees.

It is therefore necessary that the path to leadership is visibly open to talented and qualified individuals of every race and ethnicity. Respecting and celebrating diversity also adds value to the experience of working for and with Givaudan.

Our commitments

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

Progress in 2014

A wider Givaudan workforce is represented in senior leadership positions.

The current percentage of female employees in Givaudan's senior leadership positions has increased to 20.4% in 2014, an improvement on last year's performance.

How we manage this issue

It is Givaudan's policy to recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed, without regard to race, age, sex, national origin or any other non-relevant category. We embrace diversity throughout our organisation and are fully committed to creating a diverse and inclusive workforce.

In particular, we try as much as we can to promote women into managerial positions, and we produce analytics to track progress in this regard (including percentage of women in leadership positions).

Our Diversity Position Statement outlines our commitment to ensuring a representative workforce that reflects the diverse communities in which we operate.

Performance indicators

LA12: Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity

Composition governance (Leadership Board and Board of Directors)

	Leadership Board/ Board	%	<30	30–50	>50
Female	1	7%	0	0	1
Male	13	93%	0	0	13

Employees' categories and composition of governance bodies

	Male			Female			Total
	<30	30–50	>50	<30	30–50	>50	
Senior management	0	60	51	0	16	20	147
Middle management	34	1,062	378	40	1,043	182	2,739
Associates	831	2,779	1,051	576	1,479	382	7,098
Total	865	3,901	1,480	616	2,538	578	9,984

Equal remuneration for women and men

Companies with a reputation for compensating men and women equally may have access to a larger talent pool when recruiting and hiring.

Highly qualified candidates may be more likely to consider working for a company if they believe opportunities for economic growth will be available to them as they demonstrate their value, regardless of their gender. Once hired, productive workers may be more likely to remain with the organisation if they believe they are being compensated fairly.

Our commitments

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

How we manage this issue

For Givaudan employees a robust process as well as a continuously updated rewards strategy are in place to ensure our compensation offering is competitive and enables us to attract, retain and motivate qualified employees. This process includes all markets in which we operate, all job functions and all levels. We achieve this by conducting annual (and in some cases bi-annual) benchmarking studies. Salaries are reviewed and benchmarked at least annually and take into account various macro-economic data (including cost of living) and market evolution. In developing markets and high-inflation environments, we may review compensation more often than annually. We also have a profit sharing scheme which allows our non-management employees globally to share in Company profits.

These elements are reviewed at the senior management level each year. Furthermore, our Principles of Business Conduct state that “It is Givaudan’s policy to recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed without regard to race, age, sex, national origin or any other non-relevant category”.

Our Diversity Position Statement reinforces our commitment to equal pay.

For more information on our Diversity Position Statement:

www.givaudan.com/staticweb/StaticFiles/GivaudanCom/Publications/Corporate%20Governance/Giv_globalDiversityPosStat.pdf

Performance indicators

LA13: Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation

We do not report average salary by gender because we consider this information as confidential. We are committed to promoting diversity.

In 2011 we launched our Diversity Position Statement, defining what Diversity means to Givaudan and explaining where we are successful in managing Diversity. We defined our main areas of focus on Diversity as continuing our current successful practices and increasing the representation of females in senior leadership positions.

Since the publication of our position on Diversity, a number of activities have been taking place across the organisation in active support of Givaudan’s commitment. Of particular significance, we interviewed more than 50 female employees and senior leaders globally for their insights and perspectives. We needed to listen and learn from Givaudan’s community in relation to diversity, career progression and leadership. Their input gave us a better understanding of what we do well and also highlighted our areas of development.

Supplier assessment on labour practices and decent work

Responsible sourcing of raw materials is an important element of Givaudan's Sustainability programme, and a key issue for many of our customers who increasingly want assurances of responsible supply chain practices, traceability and provenance.

As a signatory of the ten principles of the United Nations Global Compact, Givaudan holds itself to a high ethical and social standard of human rights, labour standards, and anti-corruption. Givaudan has its Principles of Business Conduct, which require it, among others, to comply with all applicable laws and regulations.

By consequence Givaudan has similar expectations of its vendors.

As per the United Nations Global Compact principles 1-6, Givaudan expect its suppliers to respect Human Rights Standards. In particular, we ask our vendors to abide by all laws regarding the abolition of child labour and human trafficking.

How we manage this issue

Givaudan initiates the vendor management programme as early as possible when developing new relationships with suppliers. This is communicated using the vendor expectation document.

Givaudan suppliers are categorised and assessed for their potential risk – the extent to which they have opportunities to introduce positive changes in their system. These risks include supply, health and safety challenges, Human Rights, political instability or risk related to weather, which could destroy a key crop and cripple a community.

We encourage selected suppliers to improve performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices. Some then voluntarily go on to complete the Sedex Members Ethical Trade Audit (SMETA) which requires compliance in four key responsible sourcing pillars including Labour Standards, Business Integrity, Environment and Health and Safety. Non-compliance with these standards is not an option for Givaudan. One of the benefits of SMETA is that 'an audit for one is an audit for all'. Across AIM-PROGRESS this process is known as Mutual Recognition (MR), and it helps reduce supplier 'audit fatigue'. Internally, these processes are managed by procurement. Our category managers, located around the world, play a vital role in helping to ensure compliance.

Performance indicators

LA14: Percentage of new suppliers that were screened using labour practices criteria

All new relationships between Givaudan and vendors are developed under vendor requirement guidelines as reference material.

We encourage selected suppliers to improve their performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices.

- Total number of significant suppliers identified: 400
- Total number of suppliers assessed to date: 256
- Total number of suppliers assessed in 2014: 52
- Percentage of suppliers assessed to date: 64%
- Percentage of suppliers assessed in 2014: 13%



Human rights

This section concerns the social dimension of sustainability and the extent to which processes have been implemented by Givaudan to mitigate incidents of human rights violations, including how incidents are managed and remediated.

In this section:

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|----|----------------------------------|
| 62 | Child labour |
| 64 | Supplier human rights assessment |

Child labour

All forms of child labour are against our Company principles and values and therefore we have a corporate policy, risk assessment processes and prevention measures in place to monitor this.

Eliminating the risk of child labour in our supply chain is of paramount importance to Givaudan. At Givaudan, we deeply value the transparent and trusting relationships we have with all our stakeholders, including our suppliers, our customers and ultimately our employees, who expect us to operate at the highest level of corporate social responsibility.

As a signatory of the ten principles of the United Nations Global Compact, Givaudan holds itself to a high ethical and social standard of human rights, labour standards, and anti-corruption. Givaudan has its Principles of Business Conduct, which require it, among others, to comply with all applicable laws and regulations.

By consequence Givaudan has similar expectations of its vendors.

As per the United Nations Global Compact principles 1-6, Givaudan expect its suppliers to respect Human Rights Standards. In particular, we ask our vendors to abide by all laws regarding the abolition of child labour and human trafficking.

How we manage this issue

Givaudan is a signatory to the UNGC, which is a strategic policy initiative for businesses committed to aligning their operations and strategies with ten universally accepted principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. Principle 4 seeks the “elimination of all forms of forced and compulsory labour”. Principle 5 seeks the “effective abolition of child labour”.

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

We select and audit strategic suppliers on their sustainability performance to ensure they are in compliance with Givaudan's high ethical standards and their own local laws, and that they are not using child labour, slaves or those subjected to human trafficking. One way we do this is by participating in the Supplier Ethical Data Exchange (Sedex). A core principle of the Sedex model is the avoidance of unfair or unsafe labour practices, which includes slavery and human trafficking.

We respect the Ethical Trade Initiative base code and audit supplier practices regarding child labour using the same code that states “Child Labour shall not be used”:

- there shall be no new recruitment of child labour
- companies shall develop or participate in and contribute to policies and programmes which 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 ILO standards.

Givaudan complies with 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.

For more information on Givaudan's efforts to eradicate child labour, human trafficking and slavery from its direct supply chain see: www.givaudan.com/staticweb/StaticFiles/GivaudanCom/Sustainability/Documents/Giv_childLabourHumanTraffickingSlavery.pdf

Child labour

Continued

Performance indicators

HR5: Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour

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.

100% of operations assessed for risk

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, 20 Givaudan sites have been audited according to SMETA standards.

Significant suppliers assessed for risk

In 2014 we surpassed our 2015 objective to have 200 priority suppliers registered with Sedex. These suppliers represent 68% of our spend. We now have a total of 293 key suppliers registered with Sedex.

Supplier human rights assessment

Responsible sourcing of raw materials is an important element of Givaudan's Sustainability programme, and a key issue for many of our customers who increasingly want assurances of responsible supply chain practices, traceability and provenance.

As a signatory of the ten principles of the United Nations Global Compact, Givaudan holds itself to a high ethical and social standard of human rights, labour standards, and anti-corruption. Givaudan has its Principles of Business Conduct, which require it, among others, to comply with all applicable laws and regulations.

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As per the United Nations Global Compact principles 1-6, Givaudan expect its suppliers to respect Human Rights Standards. In particular, we ask our vendors to abide by all laws regarding the abolition of child labour and human trafficking.

How we manage this issue

Givaudan initiates the vendor management programme as early as possible when developing new relationship with suppliers. This is communicated using the vendor expectation document.

Givaudan suppliers are categorised and assessed for their potential risk – the extent to which they have opportunities to introduce positive changes in their system. These risks include supply, health and safety challenges, Human Rights, political instability or risk related to weather, which could destroy a key crop and cripple a community.

We encourage selected suppliers to improve performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices. Some then voluntarily go on to complete the Sedex Members Ethical Trade Audit (SMETA) which requires compliance in four key responsible sourcing pillars including Labour Standards, Business Integrity, Environment and Health and Safety. Non-compliance with these standards is not an option for Givaudan. One of the benefits of SMETA is that 'an audit for one is an audit for all'. Across AIM-PROGRESS this process is known as Mutual Recognition (MR), and it helps reduce supplier 'audit fatigue'. Internally, these processes are managed by procurement. Our category managers, located around the world, play a vital role in helping to ensure compliance.

Performance indicators

HR10: Percentage of new suppliers that were screened using human rights criteria

All new relationships between Givaudan and vendors are developed under vendor requirement guidelines as reference material.

We encourage selected suppliers to improve their performance. One way we do this is by inviting suppliers to register with Sedex, which is a data-sharing platform to improve supply chain practices.

- Total number of significant suppliers identified: 400
- Total number of suppliers assessed to date: 256
- Total number of suppliers assessed in 2014: 52
- Percentage of suppliers assessed to date: 64%
- Percentage of suppliers assessed in 2014: 13%



Society

This section concerns the social dimension of sustainability and the impacts Givaudan has on the local communities it operates in, including how interactions are managed and remediated.

In this section:

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| 66 | Local communities |
| 69 | Anti-corruption |
| 70 | Public policy |

Local communities

Local communities where we operate have the ability to impact our business and they can be impacted by our activities. They have therefore been designated as one of the six key stakeholders with whom we conduct on-going stakeholder dialogue.

Our commitments

- Work together with our local communities on projects and causes that benefit the communities within which we work
- Build partnerships with non-profit organisations and work on charitable themes: Blindness, Family Nutrition and supporting Local Communities.

Progress in 2014

Givaudan developed a number of partnerships in 2014 around its three charitable themes and other charitable initiatives, including:

Blindness

Retinopathy of Prematures, Jigani, India

The Jigani Green Team has continued sponsoring infants, born prematurely, for the correction of their eyesight through surgery using laser technology. If unattended, this condition would lead to permanent blindness. The team collaborated with the charity eye hospital, Vittala International Institute of Ophthalmology (VIO) in Bangalore, to conduct these surgeries. The Jigani Green Team financially support the organisation, and local volunteers raised additional funds and visited schools to help check children's eyesight.

Visual Healthcare Programme 'Yo Veo Mejor' (I see better) Pedro Escobedo, Mexico

The Mexican Green Team has implemented a visual healthcare programme called 'Yo Veo Mejor' to examine the vision of children in kindergarten and elementary school.

The programme includes:

- vision examination of all children in kindergarten and elementary schools in two communities in Pedro Escobedo: Quintanares and Los Alvarez. Included is the CAM School (school for children with disabilities in the Pedro Escobedo Community)
- donation of glasses for all children needing them.

The main results and benefits obtained:

- 92 children from 3 to 12 years old received their glasses and were able to say 'Yo Veo Mejor' and were able to continue their schooling
- the detection of three cases needing special medical treatment and a specialised medical institution was contacted to define the best treatment for these children.

Fragrances China continues to support KidStrong Eye Care programme

Givaudan's cooperation with Shanghai Roots & Shoots on the KidStrong Eye Care programme is now in its third year. In 2014, the Fragrance Division in China has provided monetary support to four migrant schools in Shanghai for:

- a thorough eyesight check-up for 548 migrant children aged between 9 and 11 years old
- the production of 102 pairs of eyeglasses
- the purchase of qualified desk lamps for those students who received their new glasses
- eye care education activities involving almost 100 teachers and parents.

At the most recent event, volunteers divided into pairs used presentation, group discussion and games to engage the students in the class.

Local communities

Continued

Nutrition

Riverfront team delivers nutrition to school children in Shanghai

This is the third year running Givaudan has supported this charitable scheme that helps children from the Li Min Migrant School learn about good nutrition. This supports the Family Nutrition theme, one of two strands that underpin our global approach to charitable giving.

During the spring semester, the Givaudan team taught five nutrition lessons. These showed over 80 students between the ages of eight and nine how to differentiate healthy food from junk food, how to have a well-balanced diet and how to plant vegetables at home.

Flavours China employee receives external recognition for volunteering

July Liu, Senior Quality Control Analyst of Flavours China, received an Outstanding Volunteer Award at Shanghai Roots & Shoots Partner Appreciation Reception on 11 November 2014 in Shanghai, China. Dr Jane Goodall, Founder of Roots & Shoots (International) and Jane Goodall Institute, presented the award to July in person.

As a passionate and committed volunteer of KidStrong Nutrition program, July has been demonstrating her consistent and sustainable engagement with the community for the last three years. July not only dedicated her time in teaching nutrition lessons at a migrant school but also contributed her knowledge and wisdom in improving the KidStrong teaching materials. Over the years, she has developed into an inspirational leader in voluntary work and has been a motivational factor for first timers to join this journey.

Givaudan China Flavours has been a committed and trusted partner of KidStrong Nutrition Programme since 2012. They have been providing monetary support to Limin Migrant School for the purchase of nutritious food such as boiled eggs, soybean curd and soy milk. In addition, more than 20 Givaudan employees have been regularly volunteering their time, teaching the nutrition classes and developing the curriculum.

Supporting local communities at source

Helping refugees, Naarden, The Netherlands

In Naarden, a temporary building – also known as the SAP building – needed to be removed. The Dutch Green Team and site management decided to donate this building to a centre for asylum seekers in the Province of Groningen. This prefabricated building was collected and reconstructed in a small village called Onnen, where it is now part of group of buildings that house approximately 450 refugees (men, women and children) from Eritrea and Syria.

In addition to the donation of the building, the Site Management Team decided to donate an interactive school board for educational purposes, and the Green Team started a fundraising activity among the employees, to donate clothing, shoes (especially suitable for winter time), and also toys and books for the kids.

Other outreach such as health education and culture

Community Outreach Programme with Asian Civilizations Museum, Singapore

Fragrance Commercial collaborated with Singapore's National Heritage Board (a statutory board under the Ministry of Culture, Community and Youth) to present a series of six community outreach sessions called 'If the Tree had a nose' part of an interactive learning exhibition called 'Once Upon a Time in Asia: The Story Tree' was hosted at the Asian Civilizations Museum.

Sustainable Christmas delights, Rome, Italy

Each Christmas, Givaudan Italia turns the traditions of holiday parties and gift giving into opportunities to support local charities. When looking for suppliers for the internal Christmas party and for seasonal gifts, they source from reliable charities that are supporting locally relevant activities. For example, in 2014, they selected a socially responsible supplier for the seasonal gift to raise awareness of this local charity and, in the spirit of Christmas, encourage employees to adopt a positive toward charitable giving.

Local communities

Continued

Flavours China Open Day at Riverfront site

Givaudan China opened its door to employees and their families in October 2014 at its Riverfront site in Shanghai for the first time. More than 60 families attended the Flavours China Open Day, the primary aim of which was to provide families the opportunity to discover how Givaudan's distinctive flavours delight us everyday.

Build 14 schools in Madagascar by 2014

At the end of 2014, 14 schools had been built in Madagascar.

How we manage this issue

Actively developing and sustaining relationships with affected communities and other stakeholders throughout the life of our operations, and understanding how we interact with markets and social institutions, are key components of our Sustainability programme. In particular, we listen to community representatives to make sure we take their point of view into account, and integrate this feedback into our sustainability activities.

On most sites, formal relationships have been established both with local authorities and with significant organisations representing neighbours, or working on specific environmental and social issues.

In 2011 we undertook an internal global audit to understand the extent of our interaction with stakeholder groups such as affected communities, local government authorities, non-governmental and other civil society organisations, local institutions and other interested or affected parties. The internal audits included assessments of impacts, and the topics covered environmental and social programmes and local community complaints procedures. Every year we monitor this programme, in 2013 the results established:

- all our sites have on-going interactions with local authorities regarding regulatory affairs
- 31 of our 32 manufacturing sites (97%) have implemented effective Local Community Development Programmes.

Charitable giving

We also monitor charitable spend on every site. Since 2012 we have implemented an annual budget allocation process for charitable giving, for all our sites. Spend is controlled and consolidated by a sustainability controller. Every site manager is responsible for the way the site budget is spent. He or she has some freedom to allocate funding to local organisations providing they comply with Givaudan guidelines and local laws on non-profit organisations. In 2014 the total spend on charitable giving for local communities was CHF 1,323,000.

Performance indicators

SO1: Percentage of operations with implemented local community engagement, impact assessments, and development programmes

31 of our 32 operations (97%) have implemented effective Local Community Development Programmes.*

* For the site that does not have a formal Local Communities Engagement Programme, employees participate in social activities with the other sites in the same country.

Anti-corruption

Ethical behaviour by Givaudan's employees, agents and business partners is of utmost priority to Givaudan. We can be held responsible not just for our own actions, but also for the actions of our agents, consultants and certain other business partners.

Penalties for violating bribery and corruption laws are severe, including prison sentences and significant fines. In addition, mere allegations of bribery or corruption violations can damage Givaudan's reputation.

How we manage this issue

Most countries where we operate have anti-bribery laws, including the UK Bribery Act, the US Foreign Corrupt Practices Act and anti-bribery laws and regulations of other countries in which Givaudan does business or intends to do so. Our actions will be especially scrutinised whenever public officials are involved.

Corruption is managed as part of the Givaudan compliance management system through the following instruments:

- corruption is one of the risk areas regularly reviewed by the corporate compliance officer as part of a compliance risk assessment
- corruption and inappropriate gifts and entertainments are prohibited in Givaudan's Principles of Business Conduct. In addition, in 2011 Givaudan introduced a Global Anti-Bribery, Gifts, Entertainment and Hospitality Policy addressing the issue in more detail, including reporting of gifts and entertainment. Both documents are available to employees in all major Company languages. The policy has been reconfirmed in 2013

– Givaudan has included corruption and gifts/entertainment in its basic compliance training for all permanent Givaudan employees. Moreover, Givaudan has introduced specific anti-bribery training for employees with material outside stakeholder relations. Both trainings are available in all major Company languages

– as part of the monitoring activities, Givaudan has introduced a compliance helpline to allow employees to report compliance issues in confidence. As at the end of 2013, the compliance helpline has been opened in all countries worldwide except for France, where Givaudan requires an approval by the competent local authority (CNIL) before it can open its helpline to French employees. The helpline is also available in all major Company languages

– Givaudan has enacted a procedure for the selection and engagement of agents and distributors, which includes a formal due diligence review and minimum requirements for agent contracts and payments.

Performance indicators

SO4: Communication and training on anti-corruption policies and procedures

Basic anti-bribery training, as part of our code of conduct training, has been completed by 97% of all our employees (except those in the US).

98,7% of all our managers and above, including 100% of our Leadership Board, have completed the training.

Additionally, 4,830 employees including 2,770 managers (96,9% of those invited to take the training) and 100% of the Leadership Board received additional specific anti-bribery training.

Public policy

As the largest fragrance and flavour company, Givaudan takes responsibility to support, and in many cases lead, in the development of public policy that impacts the fragrance and flavour industry.

How we manage this issue

Givaudan supports, and in many cases leads, industry-wide programmes with international industry associations (IFRA and IOFI), and many national associations for assuring the safe use of flavours and fragrances in consumer products. No funds are used to benefit organisations of a political nature.

Givaudan continues to drive the regulatory advocacy activities within the International Organization of the Flavor Industry (IOFI). For example, this committee, chaired by Givaudan, is working closely with the European Union (EU) Food Safety Authority, the EU Commission and the European Flavour Association (EFA) to ensure a smooth implementation of the most important reforms to flavour regulations in the EU for the past 30 years. Givaudan also actively participates in national trade associations in the US (FEMA), Japan (JEFMA) and Europe to respond to questions and issues raised by local and regional health authorities. In each case, Givaudan educates regulators in the development of sound regulations promoting the safe use of flavourings.

The Fragrance Division provides leadership to the global industry in regulatory advocacy activities within the International Fragrance Association (IFRA) – both at the global and regional level.

Givaudan is leading industry efforts to enhance the regulation of allergens in Europe, as well as to protect the intellectual property of fragrances in both Europe and the US.

Performance indicators

SO6: Total value of political contributions by country and recipient/beneficiary

No funds are used to benefit organisations of a political nature.



Product responsibility

This section concerns the social and environmental dimensions of sustainability and the impacts of Givaudan's products that directly affect customers, namely, health and safety, information and labelling, marketing, and privacy.

In this section:

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| 72 | Customer health and safety |
| 74 | Product and service labeling |

Customer health and safety

Ensuring consumer safety for use of Givaudan's fragrance and flavour products is a core responsibility of the business for ethical and legal reasons.

Our commitments

- Gather information on origin of our ingredients to contribute to regulatory requirements, food safety and issue management
- Ensure Givaudan products are safe for people and the environment when used as intended
- Promote Health and Wellness through our products
- Engage with customers to develop new technologies for healthier and more sustainable products.

Progress in 2014

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

We continue to achieve our REACH compliance goals. From the inception of REACH, through pre-registration and two phase-in registration deadlines we have met our objectives. The latest deadline was 31 May 2013 and was the most challenging yet. We succeeded with our registrations.

Flavours Division with New Flavour Regulations around the world

Givaudan continues to improve the quality of its flavours as the regulatory requirements around the globe are enhanced to ensure a safe food supply for the worlds' growing population.

How we manage this issue

Givaudan has a long history of investment in supporting safety evaluation of its raw materials for use. Critical data to support use is developed by Givaudan or its suppliers to enable us to comply with safety regulations around the world. With our regulatory expertise we not only provide an essential service of advice to our customers, but also ensure that our products meet or exceed all requirements around the world.

Regulatory assessments

The ingredients we use are subject to regulatory assessment by government agencies and international organisations worldwide that approve their use based on a review of their safety profile. For flavours these include the US Food and Drug Administration (FDA); the Flavor and Extract Manufacturers Association of the US (FEMA); the European Food Safety Authority (EFSA); the International Organization of the Flavor Industry (IOFI); and the Joint Expert Committee on Food Additives of the World Health Organization (JECFA). Fragrance materials meet mandatory IFRA requirements for safety in addition to specific country or regional regulatory requirements such as those of the European Chemicals Agency and US Environmental Protection Agency.

We maintain stringent methodologies to assure the safety and quality of our products. To enhance these, and to ensure we meet ever-changing regulatory requirements, we have developed a SAP-based global Regulatory Compliance Engine (RCE).

REACH regulation update

We continue to achieve our REACH compliance goals. From the inception of REACH, through pre-registration and two phase-in registration deadlines, we have met our objectives. The latest deadline was 31 May 2013 and was the most challenging yet. We succeeded with our registrations.

The joint registrations provided perhaps the greatest challenge, due to the complexities of working within substance exchange forums and consortia. The process has provided us with greater insights into our industry and how others are coping with the challenge and increasing demands made by such regulation. The road ahead will be a greater test with a predicted yearly registration rate for the final phase-in deadline (2018) of more than double that previously undertaken. It is a challenge we intend to meet to ensure REACH compliance for not only Givaudan but also our customers in the EU as our downstream users.

See also our Principles of Business Conduct – sections 1, 5 and 9:

<http://www.givaudan.com/our-company/corporate-governance/rules-and-policies>

Customer health and safety

Continued

Performance indicators

PR1: Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

Product registration/certification

The ingredients we use are subject to regulatory assessment by government agencies and international organisations worldwide that approve their use based on a review of their safety profile.

Manufacturing and production

Our product safety assessment programme is designed to ensure that 100% of products are safe for consumer use. At the core of the programme is a systematic safety evaluation of the ingredients used in our fragrance and flavour products, and control of their use. All new ingredients are evaluated for human and environmental safety, as required, prior to their use.

We maintain stringent methodologies to assure the safety and quality of our products. To enhance these, and to ensure we meet ever-changing regulatory requirements, we have developed a SAP based global Regulatory Compliance Engine (RCE). The compliance calculation is performed by the Compliance Engine (proprietary technology exclusive to Givaudan), using calculation technology from SAP across all sites and regions; the Compliance Engine is connected with all commercial systems used for fragrance creation, development and sales.

Marketing and promotion

Health and safety is not applicable at this stage of the product life cycle.

Use and service

All products sold to customers are subject to product information requirements. Environment and health and safety information about our products is made available to the users through product labels and Safety Data Sheets. In the Flavour Division additional information is also provided in the format of an Ingredient Declaration and instructions for the application.

Disposal, reuse or recycling

Finished products are created to comply with all appropriate end consumer product safety and regulations in the markets in which they will be sold.

Our programme to establish a biodegradable palette of fragrance ingredients began in 2007. We have completed the biodegradability screening of all our perfumery ingredients, including natural materials. Rich with more than 20 years' experience in the biodegradability testing of fragrance ingredients, Givaudan has an extensive database on the biodegradability of fragrance ingredients.

For flavours, all our products are consumed at the end of their life cycle, so should not cause disposal issues.

Product and service labeling

Givaudan recognises that health and safety is key for all of our stakeholders. Through product labels and Safety Data Sheets we can maintain trusted relationships with our customers.

How we manage this issue

The ingredients used in our formulae are evaluated for safety, health and environmental impact. This information is disclosed and filed with the relevant regulatory bodies. 100% of our sold products delivered to customers are subject to product information requirements and regulations. Quality and environmental data about our products, including safety information, is made available to the users through product labels and Safety Data Sheets (SDS). The SDS are available in more than 45 different languages.

For flavour products, information related to allergen, GMO, organic, nutritional and religious criteria can be provided.

Givaudan operates regional hazardous materials competence centres and in 2012 appointed a global packaging engineer to globally coordinate and reinforce expertise on packaging and labeling activities.

Performance indicators

PR3: Type of product and service information required by the organisation's procedures for product and service information and labeling, and percentage of significant products and service categories subject to such information requirements

Report whether the following product and service information is required by the organisation's procedures for product and service information and labeling

	Yes	No
Sourcing	X	
Content	X	
Safe use	X	
Disposal	X	
Other		

Report the percentage of significant product or service categories covered by and assessed for compliance with such procedures

100% of sold products delivered to our customers are subject to product information requirements and regulations. Quality and environmental data about our products, including safety information, is made available to the users through product labels and Safety Data Sheets (SDS). The SDS are available in more than 45 different languages.



Appendix

In this section:

76	Performance indicators - environmental
77	Performance indicators - restatement table

Performance indicators – environmental

Key performance Indicators		2009	2013	2014
Energy				
Energy (GJ)	Direct energy (from primary sources ^a)	1,632,589.20	1,739,478.10	1,678,076.00
	Indirect energy: purchased electricity & steam	897,286.10	1,009,193.30	922,754.40
	Total energy	2,529,875.30	2,748,671.40	2,600,830.40
Energy efficiency (GJ/tonne production)	Direct energy efficiency	5.29	4.50	4.3789
	Indirect energy efficiency	2.91	2.61	2.41
	Total energy	8.20	7.12	6.79
CO₂ emissions				
CO ₂ emissions (tonnes) ^b	Scope 1: from direct energy sources	102,452.60	103,559.40	98,001.20
	Scope 2: from indirect energy sources	113,687.00	114,258.90	104,455.30
	Total CO ₂ emissions	216,139.60	217,818.30	202,456.50
CO ₂ emissions efficiency (tonnes CO ₂ /tonne of production)	Scope 1: from direct energy sources	0.332	0.268	0.256
	Scope 2: from indirect energy sources	0.369	0.296	0.273
	Total CO ₂ emissions	0.701	0.564	0.528
Waste				
Hazardous waste (tonnes)	Incinerated	14,050.30	9,844.10	9,536.00
	Incinerated with energy recovery ^h	–	4,906.40	4,673.30
	Land-filled	728.40	376.20	533.10
	Recycled	3,312.90	12,233.10	14,197.30
	Total hazardous waste	18,091.60	22,453.40	24,266.40
Non-hazardous waste (tonnes)	Incinerated	3,058.00	2,974.30	2,244.90
	Incinerated with energy recovery ^h	–	1,234.80	843.40
	Land-filled	6,695.30	7,564.70	6,973.30
	Recycled	16,349.60	28,663.20	29,865.60
	Total non-hazardous waste	26,102.90	39,202.20	39,083.80
	Total incinerated and land-filled waste (HZ and NHZ)	24,532.00	20,759.30	19,287.30
One-off waste (tonnes)		–	31,062.60	24,487.50
Waste efficiency ^e (tonnes of waste/tonne of production)		0.08	0.05	0.05

^a 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)

^b Includes sanitary, cooling and process water

Key performance Indicators		2009	2013	2014
Water intake				
Water intake (m ³)	Municipal water	2,286,998.90	2,602,992.80	2,379,183.10
	Ground water	1,074,034.90	1,318,603.70	1,309,788.90
	Total municipal and groundwater	3,361,033.80	3,921,596.50	3,688,972.00
	Surface water	7,432,649.00	5,150,236.00	5,007,034.40
	Total water ^b	10,793,682.80	9,071,832.50	8,696,006.40
Water efficiency ^e (m ³ /tonne of production)		10.90	10.15	9.63
Water discharge				
Water discharge (m ³)	To the environment w/o biological treatment	7,509,122.80	4,921,748.60	4,607,642.80
	To the environment after biological treatment	1,928,725.00	2,000,448.60	1,952,077.80
	To external treatment facility w/o pre-treatment	355,458.40	560,371.50	424,394.40
	To external treatment facility with pre-treatment	1,311,436.40	1,717,098.30	1,754,173.90
	Total discharged water	11,104,742.60	9,199,667.00	8,738,288.90
	of waste water discharged to the environment			255.5 ^f
Other data				
	Nitrogen oxides – NO _x tonnes ^d	104.50	102.30	79.00
	Sulphur dioxide – SO ₂ tonnes	359.30	270.20	1.20
	VOC (tonnes)	–	436.90	437.80
	CFC inventory (kg)	15,714.05	10,756.20	11,252.80
	CFC 11 equivalent inventory (kg)	–	641.20	654.30
	CFC loss-replacement (kg)	1,393.14	1,262.70	853.70
	CFC 11 equivalent loss/replacement (kg)	–	70.40	51.80
Production				
	Production quantities (tonnes)	308,466.70	386,319.80	383,217.20

^c Greenhouse gas data are limited to CO₂ emissions

^d Quantity is calculated by multiplying the annual fuel consumption by the corresponding emission factor for fuel type

^e Includes incinerated and land-filled waste (HZ and NHZ)

^f Covers the period from April to December 2014

^g Includes municipal and groundwater

Performance indicators – restatement table

Key performance indicators	2009 (as published in 2013 SR)	2009 (corrected in 2014)	% change 2009	2013 (as published in 2013 SR)	2013 (corrected in 2014)	% change 2013
Energy (GJ)						
Total energy	2,529,830.90	2,529,875.00	0.00	2,742,884.70	2,748,671.40	0.20
CO₂ emissions (tonnes) ^c						
Total CO ₂ emissions	216,151.70	216,140.00	0.00	216,950.10	217,818.30	0.40
Waste						
Hazardous waste (tonnes)						
Incinerated	14,728.60	14,050.30	-4.60	15,827.30	9,844.10	-37.80
Incinerated with energy recovery	–	–	–	11,038.71	4,906.40	-55.6
Recycled	2,655.91	3,313.90	24.70	5,462.16	12,233.10	124.00
Total hazardous waste	18,112.90	18,092.60	-0.10	21,665.60	22,453.40	3.60
Non-hazardous waste (tonnes)						
Incinerated	3,029.70	3,058.00	0.90	–	–	–
Incinerated with energy recovery	–	–	–	1,412.40	1,234.80	-12.6
Land-filled	6,622.60	6,695.30	1.10	7,764.10	7,564.70	-2.60
Recycled	16,370.10	16,349.60	-0.10	–	–	–
Total non-hazardous waste	26,022.40	26,102.90	0.30	39,401.60	39,202.20	-0.50
Total incinerated and land-filled waste (HZ and NHZ)	25,109.30	24,532.00	-2.30	26,941.84	20,759.30	-22.90
One-off-waste (tonnes)	–	–	–	30,944.00	31,062.60	0.38
Water (m3)						
Municipal water	–	–	–	2,615,966.80	2,602,992.80	-0.50
Ground water	1,070,612.90	1,074,034.90	0.30	–	–	–
Total water	10,790,260.80	10,793,682.80	10,793.68	9,084,806.50	9,071,832.50	-0.14

Key performance indicators	2009 (as published in 2013 SR)	2009 (corrected in 2014)	% change 2009	2013 (as published in 2013 SR)	2013 (corrected in 2014)	% change 2013
Water discharge (m³)						
To the environment w/o biological treatment	7,513,426.80	7,509,123.00	-0.06	4,935,622.60	4,921,748.60	-0.28
To the environment after biological treatment	1,926,523.00	1,928,725.00	0.10	1,997,693.60	2,000,448.60	0.14
To external treatment facility w/o pre-treatment	319,117.00	355,458.00	11.40	519,418.60	560,371.50	7.90
To external treatment facility with pre-treatment	1,317,696.40	1,311,436.00	-0.50	1,730,944.00	1,717,098.30	-0.80
Total discharged water	11,076,763.20	11,104,742.00	0.25	9,183,678.80	9,199,667.00	0.17
Other data						
Nitrogen oxide - NO _x tonnes	104.70	104.50	-0.20	104.20	102.30	-1.80
Sulphur dioxide – SO ₂ tonnes	358.90	359.30	0.10	269.80	270.20	0.15
CFC inventory (kg)	–	–	–	10,358.77	10,756.20	3.80
CFC 11 equivalent inventory (kg)	–	–	–	591.19	641.20	8.50
CFC loss-replacement (kg)	–	–	–	1,253.64	1,262.70	0.70
CFC 11 equivalent loss/replacement (kg)w	–	–	–	69.90	70.40	0.70



Assurance

In this section:

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| 79 | G4 Content index |
| 82 | The principles of the UN Global Compact |
| 83 | Assurance statement |

G4 Content index

General standard disclosures

General standard disclosures	Page	External assurance	UNGC Principles
Strategy and analysis			
G4-1	2	yes, page 83	
G4-2	5	yes, page 83	
Organizational profile			
G4-3	10	yes, page 83	
G4-4	10	yes, page 83	
G4-5	10	yes, page 83	
G4-6	10	yes, page 83	
G4-7	10	yes, page 83	
G4-8	11	yes, page 83	
G4-9	11	yes, page 83	
G4-10	12	yes, page 83	Principle 6
G4-11	12	yes, page 83	Principle 3
G4-12	13	yes, page 83	
G4-13	14	yes, page 83	
G4-14	14	yes, page 83	
G4-15	15	yes, page 83	Principle 1
G4-16	17	yes, page 83	
Identified material aspects and boundaries			
G4-17	19	yes, page 83	
G4-18	19	yes, page 83	
G4-19	21	yes, page 83	
G4-20	22	yes, page 83	
G4-21	22	yes, page 83	
G4-22	24	yes, page 83	
G4-23	24	yes, page 83	

General standard disclosures	Page	External assurance	UNGC Principles
Stakeholder engagement			
G4-24	25	yes, page 83	
G4-25	25	yes, page 83	
G4-26	27	yes, page 83	
G4-27	28	yes, page 83	
Report profile			
G4-28	29	yes, page 83	
G4-29	29	yes, page 83	
G4-30	29	yes, page 83	
G4-31	29	yes, page 83	
G4-32	29	yes, page 83	
G4-33	29	yes, page 83	
Governance			
G4-34	30	yes, page 83	
Ethics and integrity			
G4-56	32	yes, page 83	Principle 10



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Specific standard disclosures

Specific standard disclosures	Page	Identified omissions and reasons	External assurance	UNGC Principles
Economic				
Economic performance				
G4-DMA	34		yes, assured as part of audit of Financial report 2014, page 69	
G4-EC1	35		yes, assured as part of audit of Financial report 2014, page 69	
G4-EC3	35		yes, assured as part of audit of Financial report 2014, page 69	
Procurement practices				
G4-DMA	36		yes, page 83	
G4-EC9	38		yes, page 83	
Environmental				
Energy				
G4-DMA	40		yes, page 83	
G4-EN3	40		yes, page 83	Principles 7,8
G4-EN5	40		yes, page 83	Principle 8
G4-EN6	41		yes, page 83	Principles 8,9
G4-EN7	41		yes, page 83	Principles 8,9
Water				
G4-DMA	42		yes, page 83	
G4-EN8	42		yes, page 83	Principles 7,8

Specific standard disclosures	Page	Identified omissions and reasons	External assurance	UNGC Principles
Emissions				
G4-DMA	44		yes, page 83	
G4-EN15	45		yes, page 83	Principles 7,8
G4-EN16	45		yes, page 83	Principles 7,8
G4-EN17	45		yes, page 83	Principles 7,8
G4-EN19	45		yes, page 83	Principles 7,8
G4-EN20	45		yes, page 83	Principles 7,8
G4-EN21	45			Principles 7,8
Effluents and waste				
G4-DMA	46		yes, page 83	
G4-EN22	47		yes, page 83	Principle 8
G4-EN23	47		yes, page 83	Principle 8
Products and services				
G4-DMA	48		yes, page 83	
G4-EN27	48		yes, page 83	Principles 8,9
Transport				
G4-DMA	49		yes, page 83	
G4-EN30	49		yes, page 83	Principle 8
Supplier environmental assessment				
G4-DMA	50		yes, page 83	
G4-EN32	50		yes, page 83	Principle 8
Social: Labour practices and decent work				
Employment				
G4-DMA	52		yes, page 83	
G4-LA1	53		yes, page 83	Principle 6

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Specific standard disclosures

Specific standard disclosures	Page	Identified omissions and reasons	External assurance	UNGC Principles
Labour/management relations				
G4-DMA	54		yes, page 83	Principle 3
G4-LA4	54		yes, page 83	
Occupational health and safety				
G4-DMA	55		yes, page 83	Principle 6
G4-LA6	56		yes, page 83	
Training and education				
G4-DMA	57		yes, page 83	Principle 6
G4-LA11	57		yes, page 83	
Diversity and equal opportunity				
G4-DMA	58		yes, page 83	Principle 6
G4-LA12	58		yes, page 83	
Equal remuneration for women and men				
G4-DMA	59		yes, page 83	Principle 6
G4-LA13	59		yes, page 83	
Supplier assessment for labour practices				
G4-DMA	60		yes, page 83	Principle 4
G4-LA14	60		yes, page 83	
Human rights				
Child labour				
G4-DMA	62		yes, page 83	Principle 5
G4-HR5	63		yes, page 83	

Specific standard disclosures	Page	Identified omissions and reasons	External assurance	UNGC Principles
Supplier human rights assessment				
G4-DMA	64		yes, page 83	Principles 1,2
G4-HR10	64		yes, page 83	
Society				
Local communities				
G4-DMA	66		yes, page 83	Principle 1
G4-SO1	68		yes, page 83	
Anti-corruption				
G4-DMA	69		yes, page 83	Principle 10
G4-SO4	69		yes, page 83	
Public policy				
G4-DMA	70		yes, page 83	Principle 10
G4-SO6	70		yes, page 83	
Product responsibility				
Customer health and safety				
G4-DMA	72		yes, page 83	
G4-PR1	73		yes, page 83	
Product and service labeling				
G4-DMA	74		yes, page 83	
G4-PR3	74		yes, page 83	

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



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The Management and Board of Directors

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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 2014 (the 'Report') covering the Company's sustainability performance during the period 1st January 2014 to 31st December 2014.

The development of the Report, based on G4 Sustainability Reporting Guidelines (GRI-G4) of the Global Reporting Initiative, its content and presentation, is the 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 2014 to 31st December 2014. 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 (HQ) at Vernier:

1. Daman, India	2. Jigani, India
3. Naarden and Barneveld, Netherlands	4. Munro and Malvinas, Argentina
5. East Hanover, USA	6. Fukuroi, Japan
7. Woodland and Jurong, Singapore	8. Ashford, UK
9. Duebendorf, Switzerland	10. Vernier, Switzerland
- 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 2014 to 31st December 2014);
- 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.

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 its material sustainability issues and the associated disclosures, as defined by the GRI G4 principles of materiality and completeness.

Observations and opportunities for improvement

- The Company has developed the report following the 'in accordance' core criteria of GRI G4 Sustainability Reporting Guidelines;
- Data management for reporting on the GRI indicators was found fairly reliable; there is scope for improvement for some indicators, namely, EN3 (energy consumption within the organisation), EN22 (water discharge), and EN23 (waste).

Ernst & Young LLP

Sudipta Das
Partner

Dated: March 13, 2015

Place: Kolkata, India