

Position statement

December 2020, version 1.0

Position statement on palm oil

Givaudan's sustainability approach makes progressive efforts to shape a sustainable future for flavours and fragrances. As part of this approach, Responsible Sourcing is of the utmost importance to Givaudan, embedding our commitment to create a positive impact on the ingredient supply chains we source from, helping preserve the environment and ensuring respect for human rights.

Palm oil is a key ingredient category in our Responsible Sourcing programme. Givaudan uses palm materials and their derivatives as ingredients in its flavours and fragrances.¹

Palm is a versatile, high yielding crop that is one of the most land-use efficient sources of vegetable oil. The supply chains of palm oil are complex, especially with derivatives, and are often associated with the risk of deforestation, habitat loss and human rights issues.

Our journey so far

We recognise the importance of the Roundtable on Sustainable Palm Oil (RSPO) in developing standards and driving availability of sustainable palm. Givaudan has been a member of RSPO since 2011 and has actively contributed through purchases of Mass Balance certification and Book and Claim Credits.

Additionally, we are keen to trace the origin of our palm derived ingredients. In close collaboration with the Earthworm Foundation (formerly The Forest Trust) and our suppliers, we are creating transparency in the supply chains up to mill level of our top suppliers.

1. Givaudan uses 10,000 tonnes palm derived materials, accounting for roughly 0.01% of global production.



December 2020, version 1.0

Our ambition

We continue to evolve and strengthen our approach. Our ambition is to source sustainable palm ingredients from suppliers committing to the 'No Deforestation, No Peat, No Exploitation (NDPE)' principles:

- No deforestation, including no development of High Carbon Stock (HCS) and High Conservation Value (HCV) areas and no use of fire to clear or prepare land.
- No development on peatlands.
- No exploitation of workers or communities, human rights are respected and the Universal Declaration of Human Rights supported.

In addition, we aim to:

- Increase transparency of our palm oil supply up to mill level
- Drive positive change in our supply chains
- Support the inclusion of smallholders in the supply chain

Approach and key milestones

Our approach is based on strong collaboration with our suppliers and industry experts and focuses on three elements:

Certification

Givaudan will remain an active member of RSPO and support their industry efforts by: increasing the number of Givaudan production sites with RSPO Supply Chain certification. growing our purchasing coverage of RSPO Mass Balance certified palm ingredients with availability in the market being a key consideration.

Supply chain transparency

We will continue to increase transparency in our palm supply chains. We are engaging with our primary suppliers to map their supply chains to refineries and mills, identifying our key upstream sourcing areas.

We aim to reach supply chain transparency to mill level with our top suppliers, equivalent to 80% of our volume on palm, by 2025.

December 2020, version 1.0

Collaboration to increase impact on our supply chains

We have recognised that our ambition cannot be achieved solely by certification. Our increased transparency provides us the opportunity to directly generate positive change in our own supply chains.

We collaborate with industry experts and stakeholders to influence change through co-investment in local transformation projects on the ground of our own key sourcing areas. These include landscape programmes led by the Earthworm Foundation. Our goal is to co-create positive and tangible impact for our upstream suppliers, smallholders and communities in close collaboration with local governments and NGOs.

We believe that a mixture of certification and local projects will enhance our impact on creating positive change within the palm industry. These investments in local projects will gradually increase in the next three years, strengthening the investments' link to our identified sourcing areas.

With this revised approach, Givaudan intensifies its contribution to sustainable palm through positive, direct and visible impact on the environment and human rights in the palm oil supply chains.

We will share our progress in our annual sustainability reports.