

Givaudan[®]

ENGAGING
THE
SENSES



For more information

We hope you found this Executive Summary engaging and informative.

We welcome your comments and questions, which can be sent to:

General enquiries:
julie.monnet@givaudan.com

Flavour Division enquiries:
ingrid.janson@givaudan.com

Fragrance Division enquiries:
linda.harman@givaudan.com

For our full Sustainability Report please visit www.givaudan.com or scan



Sustainability Report 2012

Executive Summary

Leadership statement

As the global leader in the fragrance and flavour industry, we are continually inventing the future. Our new discoveries support our customers' efforts to improve consumer nutrition, well-being and quality of life – helping them meet the needs of today's consumers without compromising the future.

Our achievements in 2012 demonstrate the progress we have made. Today, our comprehensive Sustainability Programme is integral to the way we operate – driving sustainability principles right across our value chain. Stakeholder engagement is critical to this.

2012 was not without its challenges. Global economic uncertainty and continuing pressure on the supply of key raw materials continue to impact our business. Addressing today's sustainability challenges offers timely opportunities to build deeper and more robust relationships across our complex supply chain, which will result in long-term competitive advantages and value to our customers.

As we continue to progress towards our sustainability goals, we realise there is always more to do. We'd like to thank all our stakeholders for their engagement with us, and look forward to working even more closely with them as our journey continues.



G. Andrier

Gilles Andrier, Chief Executive Officer



Joe Fabbri

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

About Givaudan

We have a market share of approximately 25%, and this industry leadership position is underpinned by a sales and marketing presence in all major markets. We are active in over 100 countries and have sites in more than 40 countries.

Headquarters:
Vernier
Switzerland

33

Production sites

Fragrances **47%**
Flavours **53%**

Group sales by division

81

Locations worldwide

Developing **44%**
Mature **56%**

Group sales by market

25%

Global industry market share (approx.)

9,124

Full time equivalent

About this document

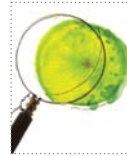
This Executive Summary of our Sustainability Report has been produced in eight languages in recognition of the diversity of our stakeholders keen to learn about our sustainability progress in 2012.

The English-language version of our full Sustainability Report, prepared in accordance with the Global Reporting Initiative's G3.1 Sustainability Reporting Guidelines to B+ Level, is available in an interactive pdf format at www.givaudan.com

Our Sustainability Programme is built around the interaction with stakeholders in our value chain, and the issues of importance to them and us. Our progress is documented in five sections relating to each of our Sustainability Programme pillars.

Raw materials

Responsibility in supply



Employees

Passion with purpose



Innovation and development

Delivering sustainable creations



Operations

Driving operational excellence

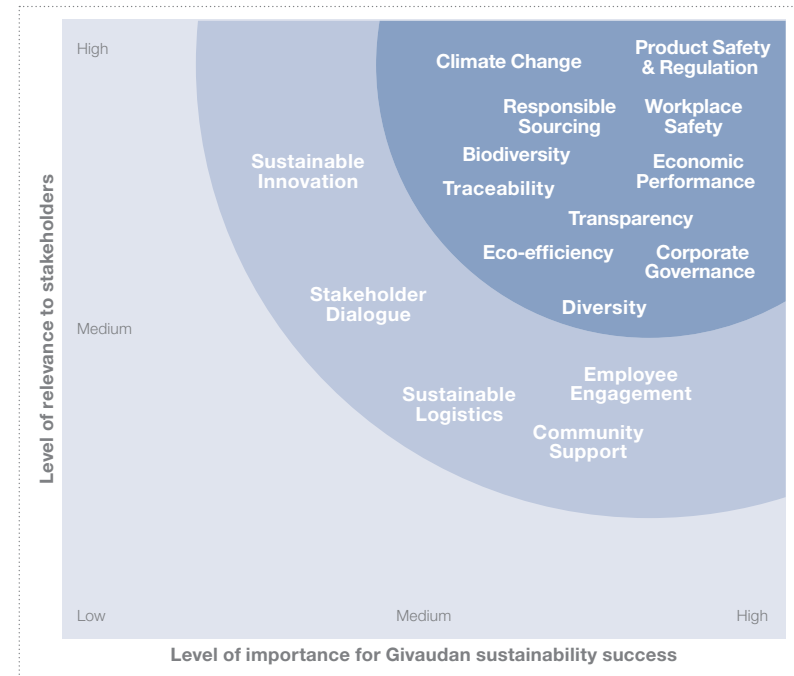


Customers and markets

Product impact



About our Sustainability Programme



Risks & materiality analysis

We use our materiality matrix, on an ongoing basis, to engage in structured dialogue with our stakeholders on sustainability issues and to help prioritise our Sustainability Programme initiatives.

Understanding our value chain

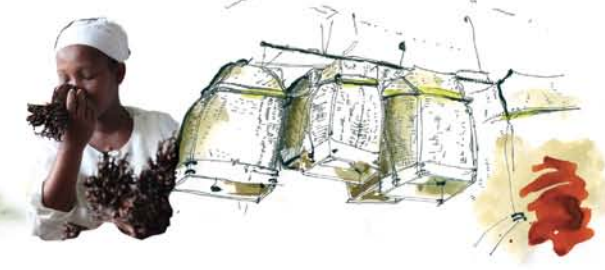
We aim to identify and reduce negative impacts at each stage of our value chain, and make a positive difference to the local communities with which we interact.

Engaging our stakeholders on the issues that matter

We engaged in structured dialogue with six priority stakeholder groups in 2012: customers, suppliers, employees, local communities, owners & investors, and public & regulatory agencies.

We also engaged in a series of strategic collaborations with the following organisations to inform our work on the most material sustainability issues:





Our progress

Raw materials

Responsibility in supply

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.

Performance highlights in 2012

- 63 suppliers audited, 106 suppliers joined Sedex*, of which 71 have completed the Self Assessment Questionnaire
- Invited suppliers to AIM-PROGRESS Responsible Sourcing Forum in Singapore
- Collaborative approach to secure the supply and heritage of French lavender
- 11 schools built in Madagascar since our programme began

Securing supply of lavender

We have established a three-way relationship between ourselves, the French growers' cooperative France Lavande, and CRIEPPAM, the French fragrant plants research organisation, to create a collaborative approach across the supply chain to combat the spread of a bacterial disease threatening lavender production.



Making progress on palm oil

We are closely monitoring the availability of traceable palm oil and derivatives, and the commercial feasibility of using it in the future. In 2012, we used Green Palm certificates to 'Book & Claim' 100% of our palm oil usage and we also continue to work with our suppliers to encourage them to use certified palm oil.

Backing fair trade vetiver

Significant amounts of the vetiver oil we purchased from Haiti were certified Organic and Fair Trade by independent organic and fair trade certification company ECOCERT.

Vanilla programme adds value

Our Ethical Vanilla Sourcing Programme continues to ensure a sustainable and traceable supply of high quality vanilla beans from Madagascar by supporting Malagasy vanilla farmers. During 2012 we financed the creation of 3 new schools bringing the total up to 11. We also supported infrastructure projects including a dam and irrigation construction and the installation of eight wells, providing clean water for more than 5,000 villagers.



* Supplier Ethical Data Exchange



Photo: Coco Yang from KidStrong

Our progress

Employees

Passion with purpose

Without the support of our employees we could not turn our sustainability vision into reality. We want our employees to be empowered to contribute to an ever more sustainable society and feel proud of their achievements.

Performance highlights in 2012

- SafeStart™, part of the ‘Zero is Possible’* programme now rolled out to 14 additional sites, 35 sites now trained
- Lost Time Injury Rate (LTIR) reduced by 57% against our 2009 baseline
- Further embedded and supported Green Teams
- Launched approach to work life balance as part of diversity action plan
- Continued support for charitable commitments

* Givaudan behavioural safety programme



Rewarding Green Team success

The Givaudan Executive Committee selected two Green Team Award winners in December. Our Jaguare site in Brazil, for combining waste reduction with an entrepreneurial income generation project for women on low-incomes; and our site in Argenteuil, France, for its support of National Sustainable Development Week. In addition to their trophy, the winning sites will each receive CHF 10,000 to spend on sustainability-related initiatives in 2013.

A balanced approach

We published a position statement explaining and supporting our commitment to work-life balance. Many sites already have a number of successful and varied activities in place to support this initiative and our aim is to create an environment where employees facing a work-life balance challenge feel comfortable to discuss this with their manager and propose an effective solution.

Supporting migrant children in Shanghai

Our volunteers are involved with two KidStrong programmes run by local NGO, Roots and Shoots. One programme is focused on nutrition, the other on eye health. Some of our experts have volunteered to teach about nutrition, meanwhile at another school our volunteers led a lesson on eye protection. We also provide funding for children to eat additional protein, as well as eyesight tests and glasses.

Countdown to zero

We are continuing to make great progress towards our 2020 safety milestone of less than one Lost Time Injury (LTI) per 1,000 employees and our ultimate goal of zero LTIs*. In 2012 our performance improved by 57% against our 2009 baseline, currently positioning us one year ahead of the plan.

* LTI is according to the official Occupational Safety and Health Administration definition



Our progress

Innovation and development

Delivering sustainable creations

With a long-term goal to have 100% of our new products 'sustainable by design', our innovation and development teams continued to strive to find solutions, new technologies and process improvements in 2012.

Performance highlights in 2012

- Fragrance Division fully compliant with REACH. On track to deliver our 2013 registrations
- On target to beat our forecast of CHF 100 million of incremental sales growth for Health and Wellness products by 2013
- Completion of biodegradability screening of all our perfumery ingredients
- KeratinoSens™ (in-vitro method of testing for skin sensitisation) in review for becoming industry standard
- New SAP-based global Regulatory Compliance Engine developed



Sweet tasting alternatives to sugar

To help our customers reduce sugar in their products, we have discovered and commercialised a range of tools to improve the taste of natural sweeteners, making products taste more like sugar. Our sensory taste research has shown that there are a complex range of off-notes associated with natural sweeteners, not limited to bitterness. Our new masking tools help address these issues.

Embracing green chemistry

Green Chemistry techniques help prevent pollution at a molecular level by optimising the use of energy, materials and water in the design and manufacturing process. We have been actively applying green chemistry principles across our business in 2012. Collectively, these activities will guide and move us towards our ultimate aspirations of greener processes, reduced emissions and an improved sustainability position.

Expanding our in-vitro capabilities

Our KeratinoSens™ in-vitro skin sensitisation test is in the process of becoming an industry standard. Meanwhile, we have also expanded our in-vitro capabilities to include methods for evaluating bioaccumulation potential of fragrance materials in fish. These have been proposed as an alternative to fish bioconcentration studies which require the use of large numbers of animals.

Biodegradability of perfumery materials

During 2012, a further 86 biodegradation tests were completed in our Ecotoxicological Laboratory in Vernier, Switzerland to deepen understanding of the biodegradability of fragrance materials, and to support our new molecules programme and REACH 2013 registrations. We have now completed the biodegradability screening of all our perfumery ingredients, including natural materials, and have a programme in place to work on those ingredients requiring further evaluation.





Our progress

Operations

Driving operational excellence

Driving operational excellence lies at the heart of our business. We see it as our responsibility to produce flavours and fragrances without compromising the environment, health and well-being of our employees, or the communities in which we operate.

Performance highlights in 2012

Per tonne of product against 2009 baseline:

- 11.5% reduction in energy consumption
- 9.6% reduction in municipal and groundwater use
- 16.6% reduction in direct and indirect CO₂ emissions
- Total weight of land-filled and incinerated waste decreased by 13.1%



Energy use and CO₂ emissions

Compared to 2011, our operating manufacturing sites reduced absolute energy consumption resulting in an 11.5% improvement in energy efficiency per tonne of production compared to 2009 baseline. The CO₂ emissions on a per tonne basis was reduced by 16.6% against baseline 2009, which has resulted in an absolute reduction of CO₂ emission by 1.5% over the period 2009-2012.



Waste generation and disposal

For the first time since setting a 15% improvement target for 2020, our quantity of incinerated and land-filled waste, per tonne produced, was reduced. The indicators showed a reduction of 13.1% against baseline. We have increased the proportion of waste recycled by over 10% across all generated waste since 2009, from 42.9% to 53.5%.

Water use

Against our 2009 baseline, our municipal and groundwater water efficiency improved by 9.6% compared with our 2020 target of 15%. In 2012 we greatly reduced our intake of cooling water at one manufacturing location after production was transferred to a better equipped site. As a result, our total water usage significantly reduced in 2012 – by more than 19% compared to last year.

Carbon footprint of related activities

In line with the GHG protocol, we have identified the main scope 3 contributing activities by collecting data and subsequently developing a monitoring based programme regarding Transportation, Packaging, Employee commuting and business travel.

Activity	CO ₂ emissions (metric tonnes)
Product transport	44,000
Packaging of finished product	50,500
Employee commuting	14,700
Business air travel	12,000



Our progress

Customers and markets

Product impact

Partnerships with our customers allow us to build internal and external knowledge and take action together to meet our shared sustainability challenges across the full life-cycle of products.

Performance highlights in 2012

- Extended sponsorship of the Cosmetic Executive Women (CEW) Eco Beauty Award to the UK
- Co-hosted an AIM-PROGRESS responsible sourcing conference
- All Givaudan production sites now on Sedex



Ethical awards success

Cosmetics company, Lush, launched a joint awards programme with Ethical Consumer magazine. Designed to bring forward the date when ingredients for cosmetics and household products are no longer tested on animals, the awards attracted more than 30 entries from 15 countries. We were shortlisted for the Science prize, for our work on the development of the KeratinoSens™ skin sensitisation test.



Talking flavour sense

We launched our latest global flavour language, SenseIt™ Mouthfeel, to help customers who want to reduce fat in their products. Crossing cultural and language barriers, this unique tool enables an effective link between consumer desire, product quality, and flavourists' creations.

Sharing best practice in responsible sourcing

We co-hosted a responsible sourcing conference with AIM-PROGRESS, to promote responsible sourcing standards. The conference was attended by approximately 100 representatives from fragrances, food and beverage suppliers and FMCG manufacturers. Speaking alongside major players from the food industry was our keynote speaker Balaji Padmanabhan, Head of Operations, APAC.



Understanding culinary cultures

Understanding local culinary cultures also helps us deliver the exotic, traditional and local flavours consumers desire. People want food to taste authentic and that means tapping into very local preferences.

Our flavourists tasted many varieties of different dishes and gained further scientific understanding of the processes and reactions involved in creating the food. This knowledge can be translated into appealing flavours that can help manufacturers deliver healthy products that also taste great.