



# **Vendor Requirements and Expectations Policy IM&S (Services)**

Global Policy Procurement

Document status

[Validated]

**This document is intended to be used internally and externally**



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# 1 Introduction

## 1.1 Context and Purpose

As an industry leader, GIVAUDAN is committed to provide safe products and services of consistent quality for happier and healthier lives that meet our customer expectations while adhering to high ethical standards in our business conduct. This means we are committed to comply with all applicable laws and regulations, as well as with company policies and procedures in our relations with customers, suppliers, shareholders, fellow employees, competitors, government agencies and the communities in which we work.

By acting according to the same standards consistently throughout the world, our company will preserve its good name and reputation, which has been built upon a rich heritage – a heritage that we are all proud of and which reflects the competence, conduct and dedication of all our employees.

To honor these commitments, GIVAUDAN will work only with suppliers and vendors whose standards are consistent with GIVAUDAN's own.

For the purpose of this document, the term 'Vendor' will apply to any company or individual that delivers a service, either **on-site** (e.g. cleaning, maintenance, pest control etc.) or **off-site** (e.g. transport, laboratories, laundry service etc.).

## 1.2 Structure of the Document

GIVAUDAN's vendor requirements and expectations are outlined in the following pages. They are divided into two major parts:

**Requirements** describe essential processes, systems or behaviors to be in place, in order to become a preferred vendor. You are **obliged to acknowledge** the requirements. They are considered being mandatory elements that must be fulfilled or implemented soon by the vendor. Failure to comply with the mandatory requirements may prevent a vendor from being eligible for selection.

**Expectations** are considered being best practice elements that **help to further improve** overall performance and reliability. Those aspects might not apply to all IM&S service categories. It is subject of agreements between GIVAUDAN and its vendors.

It is your responsibility, as a current or potential GIVAUDAN vendor to meet or exceed these requirements and expectation to ensure services delivered to GIVAUDAN are safe and satisfy all our quality, safety and ethical standards. We would like to stress out that the undermentioned represents the minimum we would expect from all our vendors.

In some instances, specific requirements apply to only one division (either Taste & Wellbeing or Fragrances & Beauty) e.g. Food Safety aspects, Cosmetic GMP etc. or specifically to one or more sites. Exceptions to these requirements may also apply based on the uniqueness of a service or process. The relevance is indicated in the text below. The requirements follow, but are not limited to, the standards for ISO 9001, ISO 14001, FSSC 22000, ISO 22716 or EffCI GMP Guide as well as further applicable ones.



In rare cases, GIVAUDAN may permit vendors to deviate from one or more of the requirements set forth in this manual.

If you feel an exception is needed for your plant(s) or service(s), please contact your GIVAUDAN contract representative in writing describing your request for an exception(s).

Furthermore, if there are any questions about the document or any principle or standard, please contact your GIVAUDAN contracting representative, too, who will be able to provide you with more detail.

### 1.3 Hierarchy of Document Applicability

The **Vendor Requirements and Expectations Policy IM&S (Service)** does not intend to alter or eliminate any dedicated requirement that may be included in contracts or product specifications issued by any GIVAUDAN location.

Nevertheless, this policy supersedes any other general requirements document previously issued by any GIVAUDAN location. Its content is common throughout all divisions of GIVAUDAN.

There is a huge variety of services purchased by GIVAUDAN and an even larger variety of applicable laws and regulations which have to be considered. Therefore, the undermentioned hierarchy of documents describes the applicability of requirements. The hierarchy aims at clarifying uncertainties which might derive from contradicting global, regional or local (i.e. site specific) requirements.

Rank	Document	Specificity	Universality
1	Purchase Order (order/batch specific)	highest	lowest
2	Material Specification (material specific)		
3	Delivery Instruction (Givaudan-site specific)		
4	Global Contract (material + vendor specific)		
5	Specific Quality Assurance Agreement (vendor specific)		
6	Amendments to the Vendor Requirements and Expectations Policy (division specific)		
7	<b>This document:</b> Vendor Requirements and Expectations Policy (global)	lowest	highest

On one hand, the more specific document supersedes the less specific one in case of uncertainties for a specific order.

On the other hand an exception granted for a specific order does not constitute the right to deviate from global contract/principles in all future deliveries.

The above hierarchy of documents applies to vendor requirements. GIVAUDAN and the vendor may agree on another hierarchy of documents with respect to other contract terms. In case of doubts or uncertainties, please contact your account manager at GIVAUDAN.



## **1.4 Continuous Improvement and Audits**

GIVAUDAN expects all vendors to continuously improve their overall service quality, price competitiveness and adherence to these requirements and expectations.

Where applicable, GIVAUDAN or third party auditors acting on behalf of GIVAUDAN shall be authorized to enter and audit or inspect any establishment/facility which contributes to delivering a service to GIVAUDAN. Vendors shall implement all corrective actions identified within the time frame agreed on in the audit's corrective action plan.

External certification against standards (e.g. ISO 9001, FSSC 22000, ISO 22716, EFFCI GMP Guideline etc.) will only be accepted if undertaken by an accredited certification body. An audit by GIVAUDAN may be considered unnecessary if the corresponding audit report is shared with GIVAUDAN.

Additionally, the vendor's performance against several measures will be tracked. The consolidated results of the KPI analysis will be discussed with the vendor in the course of Business Review meetings. It is expected that actions are taken to continuously improve the performance, if any of the indicators show unacceptable results.



## 2 Definitions

Term	Definition
IM&S	Indirect Materials and Services
FMEA	Failure Mode and Effect Analysis; globally established standard for conducting risk assessments
HACCP	Hazard Analysis and Critical Control Points; commonly agree standard for conducting risk assessments in the food industry
IPPC	International Plant Protection Convention
ISPM 15	International Standards for Phytosanitary Measures; ISPM 15 outlines a set of regulations designed to minimize the spread of diseases and pests from one country to another.

**Description****Comments**

## **3 General requirements for Indirect Materials and Services**

### **3.1 Certificates and Registration**

#### **3.1.1 Certified Management Systems**

It is expected that the vendor maintains certification to an internationally recognized Management System such as ISO 9001 **or** equivalent **or** maintains an 'in-house' Management System that is equivalent. Each employee must be aware of the Management System and its provisions and shall have access to related documents. The appropriateness of the implemented Management System shall be reviewed annually. The review shall be supported by internal audits.

The Management System must ensure compliance with these Global Vendor Requirements and Expectations, all legal and regulatory requirements and GIVAUDAN specifications for the materials supplied.

**Forwarders and/or warehouse operators** are asked to consider the specific requirements from ISO/TS 22002-5 (prerequisite programs on food safety – transport and storage)

#### **Further Expectations**

Each **logistic service provider** should strive for further applicable certificates which help simplify shipping goods to GIVAUDAN through customs, such as AEO, C-TPAT or similar.

GIVAUDAN also advocates the vendors being certified for specific standards which serve as documented proof of the vendor's environmental awareness, such as ISO 14001, ISO 50001 and/or EMAS.

#### **3.1.2 Registrations**

Products and services shall be registered at the respective authorities according to legal requirements (e.g. CE labelling, etc.). All applicable licenses must be in place and shall be refreshed regularly. GIVAUDAN might ask for a copy of the license for due diligence purposes.

### **3.2 Management System and Standards**

#### **3.2.1 Notification of Change**

Any change to any part of the GIVAUDAN specification or the services delivered must be communicated in writing to the GIVAUDAN business





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representative in charge, who will route the change requests to the appropriate functions. This must be done in advance of any deliveries to which the change is applicable to. Each change shall be assessed as to possible risks and likely impacts for GIVAUDAN.

GIVAUDAN will not be liable for any damages, claims or redundant stock incurred as a result of an unapproved change to the service delivered to GIVAUDAN.

### 3.2.2 Deviation Handling

The vendor must have a process in place which deals with non-conforming products and services failures. An effective corrective action program shall be in place to track such actions to ensure that non-conformance in any program are addressed in an appropriate and timely manner.

### 3.2.3 Contingency Plan

GIVAUDAN expects vendors to perform a business risk assessment in various areas and developing and maintain primary plans and alternate plans for handling unpredictable situations that drives to a supply chain or business disruption. The contingency plan shall typically address but is not limited to everything from natural disasters that strike a business to drastic downward shifts in the economy that significantly impact earnings. It shall also address the likelihood of changes in the company's ownership.

### 3.2.4 Risk Based Approach

GIVAUDAN considers it a best-practice to make use of established risk assessment tools in order to provide justifications for important decisions. Appropriate tools/approaches would be FMEA, HACCP and similar ones. For each identified unacceptable risk the vendor shall define mitigation activities which must be completed in a timely manner.

### 3.2.5 Use of Third Party Contractors

The vendor is not entitled to sub-contract services ordered by GIVAUDAN to be delivered on a GIVAUDAN site without the prior written consent of the GIVAUDAN contracting representative.

Any such third party contractors must be registered with GIVAUDAN and must meet these Global Vendor Requirements and Expectations as well. Each deviation must be discussed with the GIVAUDAN contracting representative (signatory or business owner/contact).

The vendor will be liable for any failure (quality, environment, legal, regulatory, ethical or any other) of its third party.

**Description****Comments****3.2.6 Laboratory Inspection Service**

The laboratory service shall develop and maintain a program based on ISO 17025 to address how records and reports of analytical information are gathered, documented and retained by the laboratory. The program shall document laboratory testing methods based on recognized and approved methods and procedures. The laboratory shall participate in ring tests (proficiency tests) in order to demonstrate both accurateness and reproducibility of methods.

Laboratory facilities shall be designed, equipped, calibrated and maintained appropriately to yield accurate and precise results. Access to laboratories should be controlled and limited to authorized people (especially to microbiological labs) to prevent potential contamination from production or administrative areas. On-site laboratories location shall be separate from any food processing and handling activities.

**3.2.7 Calibration Program**

A calibration schedule equivalent to that required by ISO 9001 for all equipment and instrumentation that is critical to ensuring the quality of services supplied must be maintained. Critical equipment shall be calibrated yearly (e.g. scales, probes, incubators etc.) or at other appropriate frequencies against recognized and traceable standards.

**3.2.8 Human Resources**

All employees shall be qualified to perform their roles at the GIVAUDAN or vendor facility. An employee training program shall be in place. Training shall be provided to new employees before starting work in production or on any GIVAUDAN site as far as appropriate.

Refresher training should be provided. Records must be maintained of personnel education, training, skills and experience.

A periodic evaluation shall be performed to verify the effectiveness of training programs. Visitors and contractors shall be covered with site specific training programs, as appropriate, prior to performing activities which may affect product safety or quality.

**3.3 Site/Cyber-Security and Surveillance**

A program shall be established and maintained to prevent intentional adulteration of products caused by deliberate acts of sabotage, vandalism or (bio-) terrorism like incidents. The program shall be based on results of a threat assessment (e.g. according to PAS 96:2017; Guide to protecting and defending food and drink from deliberate attack). The program shall include, but is not limited to:



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- Methods to control and record access to premises and computerized systems. This may include physical barriers such as fences, as well as control devices like camera surveillance where permitted.
- Access to production and storage areas shall be physically restricted by use of lock, electronic card key or alternative systems
- The appropriate management responsibility for food defense
- Measures taken to assure the security of raw materials and packaging upon receiving and finished goods upon shipping (tamper evidence)

**Special attention shall be paid to the emerging threat of **cyber-attacks**. Certification for ISO 27001 should be taken into consideration.**

A cyber-security program shall be established to grant a high level of IT/Cyber-Security in the organization. The program shall include, but is not limited to:

- Availability of formalized Cyber-Security policies and an appointed Chief Information Security Officer (CISO)
- Performing information security risk assessment of your third party IT providers before and during the life on the contract
- Performing regular security assessment and/or penetration tests to assess the security posture of your critical assets and implement adequate mitigation measures
- A continuous cyber-security awareness program to ensure employees are appropriately trained to identify and react to cyber threats
- Availability of a Disaster Recovery (DR) plan in place that covers both physical and logical disasters (e.g. ransomware attacks). The DR plan shall be tested regularly using simulation exercises and actual recovery tests for critical assets.
- Employ protection, detection and response technologies throughout your network to protect against malware and other forms of attacks
- Ensure that critical security patches are installed on your critical assets within 7 days

## 3.4 Environment, Health and Safety (EHS) (as far as applicable)

### 3.4.1 GIVAUDAN site-specific EHS-regulations

Vendor must obey all applicable EHS-related regulations if the service is delivered on a GIVAUDAN site. Employees will be informed about the relevant rules when they arrive on site.

### 3.4.2 Awareness for EHS related risks

Due to the fact that GIVAUDAN intensively cares for the protection of the environment and its employees, the same sense of urgency is expected from each vendor.



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Each vendor shall implement a program that helps to prevent and correct any accident as well as harmful exposure to hazardous materials. There shall be full support by the vendor's top management. All incidents must be recorded and investigated thoroughly and in a timely manner in order to prevent recurrence.

Every relevant employee must be aware of potential risks related to established processes or to stored materials which shall be supported by complete and correct labelling of hazardous substances.

### 3.4.3 Measures for Fire-Safety

The vendor must establish a concept to prevent outbreak of fire, spills, gas release and similar emergencies. There shall be suitable detection equipment in operation. It is expected that dedicated premises for dangerous goods and hazardous materials are available.

Firefighting equipment must be easily available in sufficient number, in working order and appropriate for the intended use. Employees must be trained accordingly.

### 3.4.4 Personal Protection

The vendor must equip employees with personal protective equipment (PPE) as appropriate to the specific type of activity and related risks.

Employees at forwarders and in warehouses shall be aware of potential health hazards linked to the handled materials, to avoid or minimize any health detriment in case of exposure to *hazardous or allergenic material*. There shall be eye- and body showers available, too.

### 3.4.5 Waste Management

The vendor shall identify all waste streams. Waste shall be handled in compliance with local laws and regulations and shall be marked up to prevent the use of waste materials. Waste shall be removed from the premises on a routine basis. If waste is held on site prior to disposal, this shall be done in a separate area located away from direct entry to manufacturing and warehouse areas. The area shall be kept clean and free of spillage, containers shall be covered/closed and suitably fly-proof.

Waste disposal equipment, waste bins and storage areas shall be regularly cleaned and sanitized to avoid attraction of pests.

The vendor shall also comply with local wastewater treatment regulations as well as regulations concerning emission of waste air and noise.

## 3.5 Use of Vehicles and Trailers

Vehicles used to transfer materials on behalf of GIVAUDAN must comply with the following requirements:

**Description****Comments**

- Truck and trailer must comply with applicable regulations in all transit countries during transportation.
- The trailer must be watertight.
- The floor must be clean and in good condition, with no holes, and must be able to support the weight of the loaded goods.
- **Hazardous goods:** vehicle, tank, labels and notices must be compliant with the safety regulations (orange panels, class placards, etc.).

GIVAUDAN reserves the right not to unload a vehicle whose condition may present a risk to personnel safety. In such case goods will be returned at the costs of the supplier.

Rejection of goods may occur if the packaging of a delivery is improper or damaged. Improper or damaged packaging shall include, but is not be limited to, the following:

- Illegible or no product label on the container
- Leaking, dirty, rusty or wet containers
- Broken or missing tamper evident seals
- Inappropriate or damaged packaging material
- Damaged or missing pallet
- Wooden pallets which are not heat-treated according to IPPC standard (i.e. ISPM 15); methyl bromide treatment is not accepted
- Any defect effecting product quality