

Regulatory

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.

Givaudan continued to drive the regulatory advocacy activities within the International Organization of the Flavor Industry (IOFI). This committee, chaired by Givaudan, is working closely with the European Union (EU) Food Safety Authority and the EU Commission to ensure a smooth implementation of the most important reforms to flavour regulations in the EU for the past 30 years.

Finalisation of this EU flavour regulation was expected by the end of 2010. Givaudan is well-positioned to support its customers to meet any new regulations as required.

As more developing market countries establish requirements for the introduction of new ingredients into their markets, Givaudan is also leading efforts to achieve harmonisation of regulations to the greatest extent possible. This effort is important as harmonised regulations allow for easy movement of our customers' products throughout the global marketplace.

There has been ongoing progress to further improve the integration of all regulatory and safety activities internally. In addition, we have continued to integrate the activities of our research and development organisation with the Strategic Business Development teams to ensure the rapid global commercialisation of new ingredients to aid innovative flavour creation and application for our customers. This has been especially important in supporting our clients' efforts in the growing market for products promoting Health and Wellness.

A major effort to establish a more integrated technology commercialisation process was completed this year, ensuring that regulatory and safety aspects are fully addressed for all new ingredients and technologies. This effort has minimised any potential negative effects of an increasingly complex global regulatory environment and helped us maintain our rapid introduction of new materials into the global market.

Improving our customer support and worker safety capabilities, SAP-based Environmental, Health and Safety (EHS) functions were successfully launched in Europe and Latin America this year and will be introduced in Asia Pacific and the USA in 2011. This will result in further improvements in the quality and timeliness of responses to customer requests for EHS information and documentation.

In 2010, we initiated a programme called 'Easy to do Business With' to better understand and implement ways we can make doing business with Givaudan even easier for our customers. From a regulatory perspective, this programme focuses on getting accurate regulatory information and documents to our customers rapidly and in a form that is most convenient for them.

Over 25 new ingredients or technologies were successfully introduced into the market this year focusing on the areas of Health and Wellness, in line with our global growth strategy. Important additions to the ingredient palette were made in the area of salt and sugar reduction as well as other key consumer focus areas, allowing our customers to develop more desirable and healthy products.

We have continued to invest in new methods for toxicological evaluation of raw materials. The development of KeratinoSense has achieved international recognition for its ability to identify dermal sensitisers of varying potency.

Givaudan also continues to develop customised approaches for determining biodegradation of volatile raw materials. We have started a new programme to investigate in-vitro systems for predicting bioaccumulation of materials in fish. The Fragrance Division provided leadership to the global industry in regulatory advocacy activities within the International Fragrance Association (IFRA) – both at the global and regional level and particularly in the USA.

We also played a leading role in engaging key stakeholders to address new questions on ingredient transparency and a push for more labelling requirements on finished products in the USA. This has the potential for direct impact on intellectual property protection of fragrance formula. To enable more information to be accessible to consumers while protecting product-specific formula disclosure, IFRA has published the list of fragrance ingredients used in commerce, amounting to some 3,123 materials, on its website www.IFRAorg.org.

In 2010 Givaudan met its obligations for the first phase of REACH registrations and has commenced phase II of the programme.