

Sustainable business model

Enhancing our online recruitment tools

Feedback gathered from the Employee Value Proposition outlined that one of the major requests expressed by our employees was to have a better view on career opportunities within the Company.

This need was addressed by launching a comprehensive and new e-Recruitment platform. It has been a significant step forward towards a more effective and efficient recruiting process used both internally and externally. The platform provides employees and external applicants with increased transparency on career opportunities through our online job postings.

This illustrates Givaudan's commitment to enable all the employees to play an active role in their career development in partnership with HR and their line manager.

Continuous improvement ahead

In keeping with our strategic focus and in cooperation with the business leaders, our Human Resource Business Partners will continue to develop their ability to influence strategic talent outcomes across the business.

We will continue to invest in training and development of our HR professionals.

We will develop a competency framework as a platform for the People Management Programmes at Givaudan.

We will invest in our middle management Succession Planning and development which will be supported by Learning and Development programmes.

We will continue to look for opportunities to increase the effectiveness and efficiency of delivering HR services.

We will continue to strengthen the core HR Centre of Excellence (CoE) functions to provide best-fit programmes for Givaudan.

Suppliers

As the largest individual ingredient buyer in the global fragrance and flavour industry, Givaudan is mindful of the need to invest responsibly in the supply chains of today in order to ensure availability tomorrow.

Reliable suppliers and continuous supply are crucial in order to fulfil our customer commitments and provide the service to which we aspire.

Despite the economic recovery after the challenging year of 2009, fragility among our suppliers has been evident over the past two years. Significant de-stocking and re-stocking has hindered continuity and stability in the supply of some materials, whilst the 'on/off' environment has created challenges that have led to consolidation among some of our suppliers.

At the same time, unprecedented demand has meant that carry-over inventories have been used this year that will take years to rebuild. The unusual surge in demand has created material shortages in many areas and stock building along the chain.

Fortunately, Givaudan was able to mitigate most shortages through its own stocks and material planning, although an increasingly volatile price situation was evident in the latter part of the year.

Partnerships are always important, but never more so than during the challenging times recently experienced by our suppliers. In these circumstances, good relationships, long-term purchasing strategies and supplier alliances are of paramount importance. We continue to further grow and build these key relationships to support our future business. Looking ahead into 2011, we expect that demand for raw materials will continue to be firm, particularly from developing economies. Currency and price volatility continues and the lack of a stable environment, demand visibility and sustainable revenues in some supply chains are likely to lead to some forms of protectionism such as quotas on raw material supplies, allocations and unpredictable movements in short-term pricing structures.

Environment, Health and Safety

Givaudan acknowledges that environmental issues as well as health and safety concerns shape the current and future sustainability of its business. As part of this awareness, our Environmental, Health and Safety (EHS) organisation has launched a number of initiatives to ensure the Company continues to innovate and perform without compromising the safety

Staff turnover by region	2010	%	2009	%
Asia Pacific	193	22	154	17
Europe, Middle East and Africa	417	47	448	50
Latin America	123	14	99	11
North America	152	17	194	22
Total	885	100	895	100