

## 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
<b>Total</b>	<b>885</b>	<b>100</b>	<b>895</b>	<b>100</b>

of our people, products, assets, and the environment. To support these initiatives, the EHS organisation has been strengthened by implementing a regional EHS network that ensures the effective management of all EHS activities, risks, and programmes. The EHS organisation benefits also from the unique know-how and support of a reinforced team of global experts in the areas of safety, hazardous materials, dangerous goods, reporting, auditing, and change management.

Key among the initiatives in 2010 has been the development of the first Global EHS Strategy and the strengthening of a safety culture that is starting to result in tangible advances and improved key performance indicators. The strategy has been designed to be easily actionable at regional and local levels and reflects various priorities, challenges and plans. It will be implemented worldwide in 2011.

During the year Givaudan continued to take actions as part of its behavioural-based safety initiative, 'Zero is Possible', with the introduction of SafeStart™ to raise the awareness among employees and further enhance a sounder safety culture. The SafeStart™ methodology is based on simple concepts that can be related to and applied to situations in everyday contexts. Our goal is to use SafeStart™ throughout our organisation and during the on-boarding process of new employees. Givaudan's overarching aspiration is to reach zero accidents. In line with our Sustainability targets, we have set a major milestone of less than one accident involving a lost time injury per 1,000 employees by 2020. In 2010, we have already achieved more than 16% reduction of lost time injury rate in our manufacturing sites worldwide compared to a year ago.

Givaudan has also expanded its audit programme beyond internal audit and major facility risk audit to include a global approach providing a comprehensive EHS external audit review of best practices, local regulations and compliance. The new programme formally started in October 2010 and will provide Givaudan with objective viewpoints on areas requiring further improvement and link them to the Company's EHS directives and policies. All locations are scheduled to be audited by the end of 2011, and each site will then be re-audited every two to four years, depending on a risk evaluation and outcomes from the initial audit.

Givaudan has successfully implemented in 2010 the United Nations mandated chemicals classification system called 'Globally Harmonized System'. This programme is globally recognised and includes new compatible labelling of products, redesigned safety data sheets and easily understandable hazard symbols. Givaudan successfully implemented these requirements, starting in Europe.

Givaudan's EHS organisation is part of the Sustainability initiative and is proud of their contribution in the everyday activities happening at the site level focused on employees' health, our products, everyone's safety and environmental protection. We believe that the decisive steps taken in 2010 will enable Givaudan to even better meet the environmental, health and safety needs of employees, customers and society.

Givaudan's sustainable development principles and values are detailed in our 2010 Sustainability Report, published separately and available from March 2011 on [www.givaudan.com](http://www.givaudan.com) – [sustainability] – [publications]

# ZERO IS POSSIBLE



**Serious about safety**

## Safety inheritance

The integration of Quest International led to many of its best practices being leveraged throughout Givaudan. Where Quest had a comprehensive behavioural-based safety programme, Givaudan's strengths lay in the technical, engineering and process applications areas of safety. With the completion of the integration, the combination of safety approaches has created a platform for the development of a solid programme.

In November 2010, Givaudan launched SafeStart™, a globally recognised safety awareness programme designed to promote techniques for minimising the risk of injury and to contribute to Givaudan reaching its ambitious accident reduction goals. Available to all employees, it is part of Givaudan's global behavioural-based safety programme 'Zero is Possible' which aims to further strengthen safety behaviour and awareness across the business.



## Mexico: Clean Industry Certification

Located in a rural area, our Pedro Escobedo fragrance ingredients manufacturing site in Mexico has developed strong relations with the local community and neighbouring villages over the years. This commitment was recognised in 2010 with a 'Clean Industry Certification' from the Mexican Environmental Protection Agency. The certification recognises the commitment of the site to reduce the impact of its activities on the environment and for its continuous improvement over the past few years. Pedro Escobedo is the largest chemical production plant in the Group and employs about 200 people, most of whom live near the site.