



Sustainability Reporting practice of listed companies

Vera Sokulskyj, Head Issuer Relations, Primary Markets

25 July 2023, Sustainability Reporting Today and Tomorrow

Reporting obligations on non-financial matters acc. to art. 964a-c OR – in force since 1 January 2023

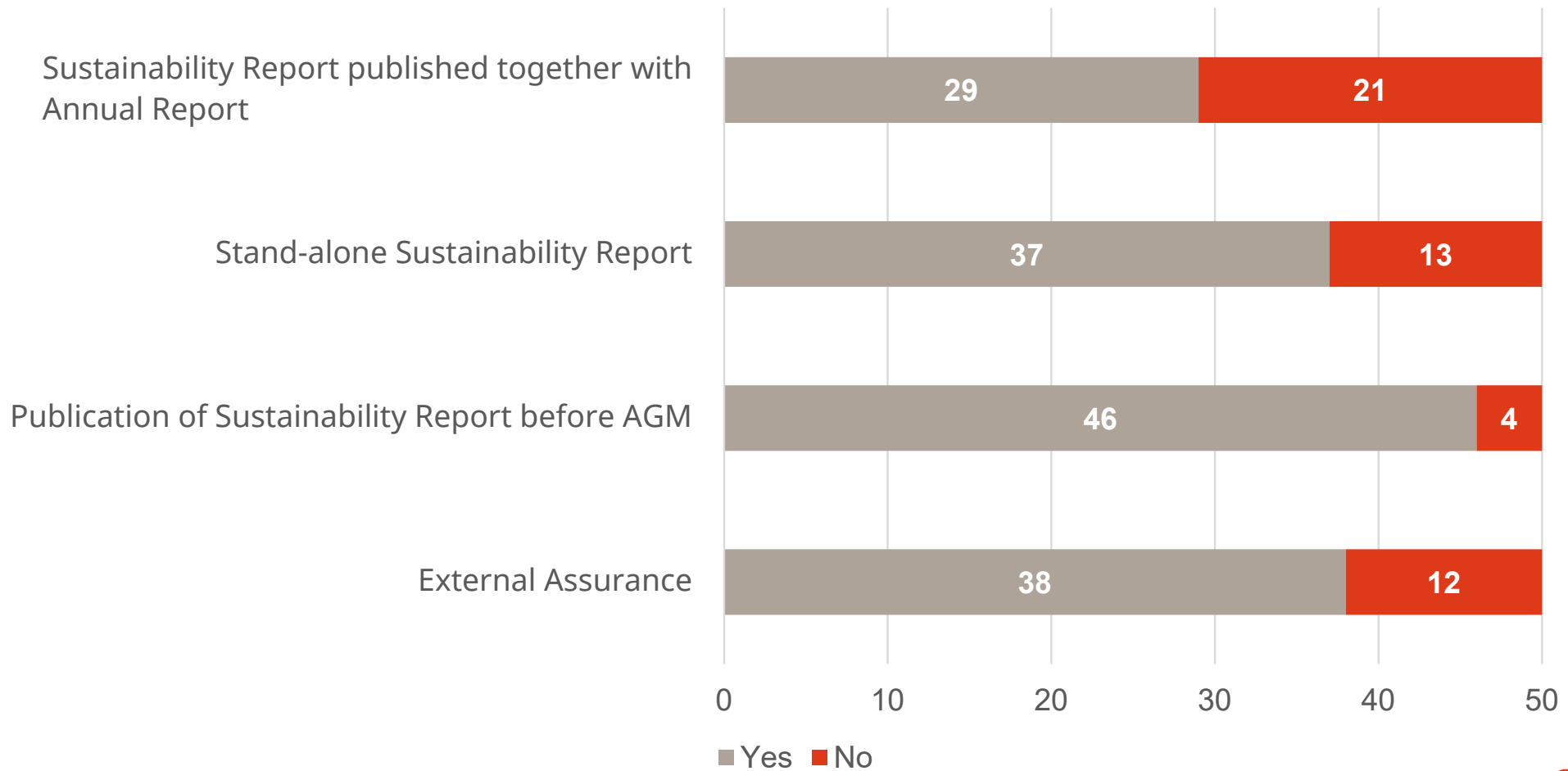
Topics (yearly reporting)	<ul style="list-style-type: none"> • Environmental matters (incl. matters to be reported based on new TCFD ordinance) • Social matters • Employee matters • Human rights • Anti-corruption
Content of report	<ul style="list-style-type: none"> • Business model • Concepts pursued (i.e., strategy / directives), incl. due diligence processes • Measures taken and assessment of the effectiveness of these measures • Key risks (own activity and risks out of business relationships, its products or its services), how risks are managed • Key performance indicators
Approval	<ul style="list-style-type: none"> • Board of Directors (BoD) • General meeting of shareholders (AGM) • Ratification authority only (i.e., yes or no, but no modifications)
Publication	<ul style="list-style-type: none"> • Immediately after approval of Board of Directors • Electronically, at least for 10 years

How do the Top 50 SIX-listed* companies report on sustainability matters?

** SMI Expanded: the 50 most highly capitalised securities in the Swiss equity market.*



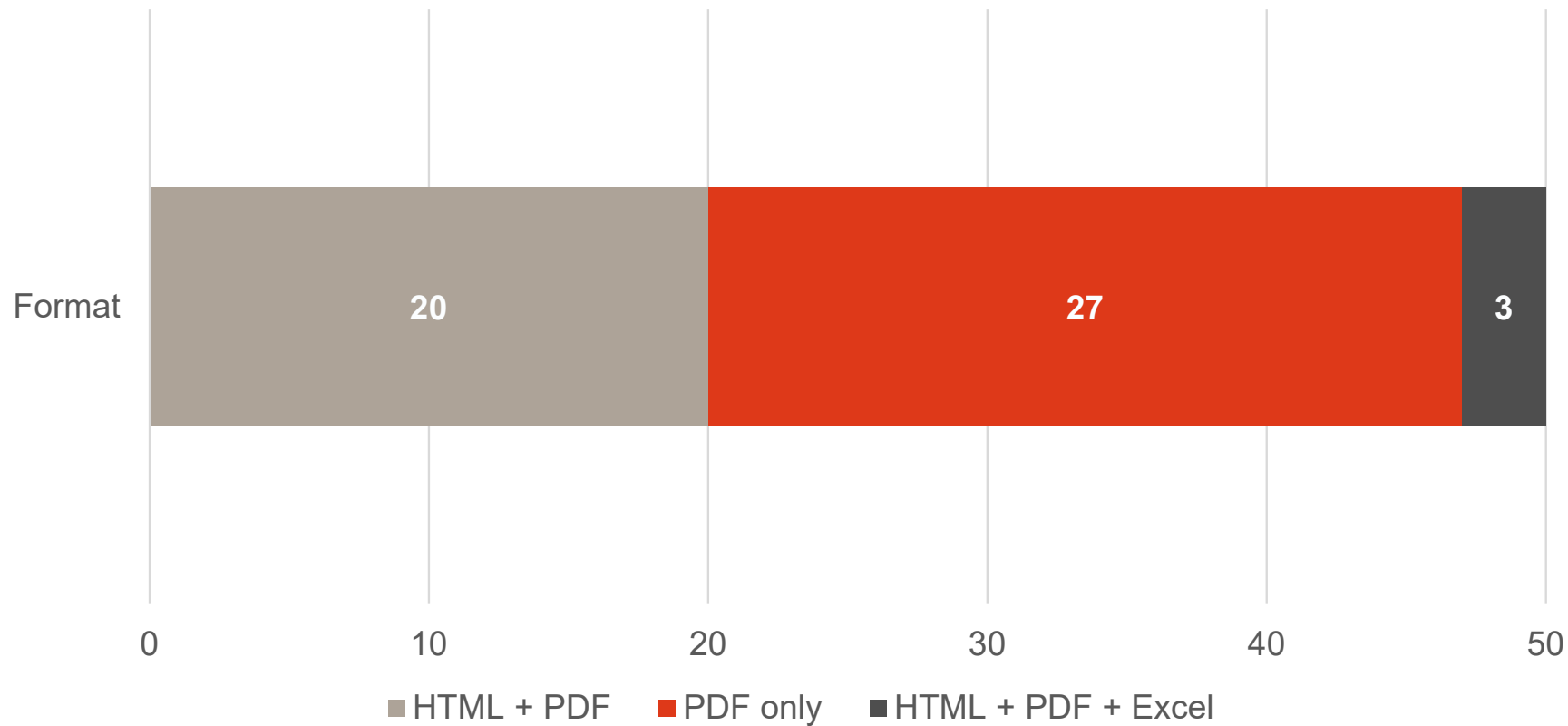
Sustainability Reporting practices



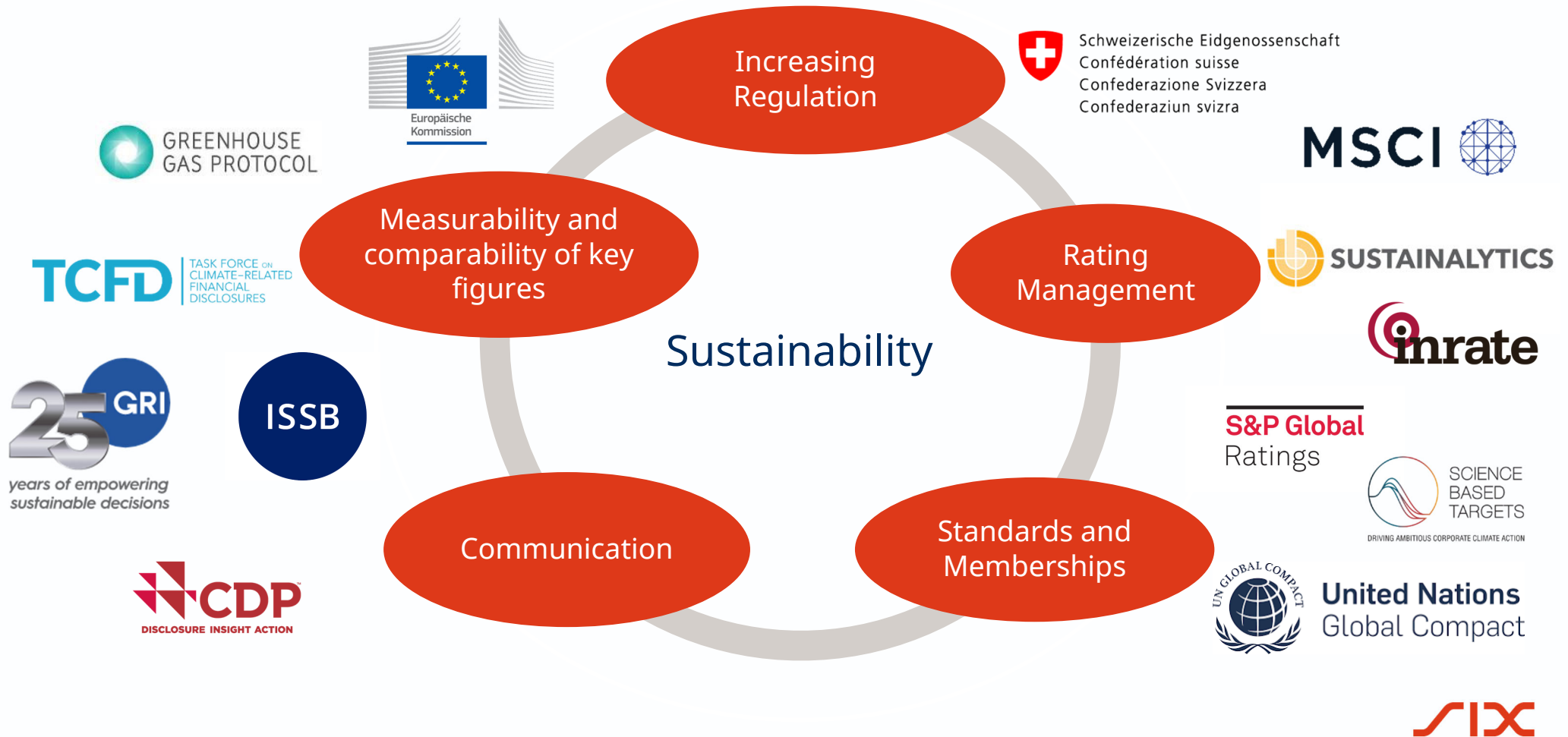
In which format do they report?



Format of the reports



Sustainability remains a very dynamic area



Main recommendations

- Ensure that the reporting processes are set up in such a way that the sustainability report can be approved by the BoD and AGM
- Be aware that the BoD may require an external assurance of the sustainability report if it must approve it
- Be prepared for more and more comprehensive reporting obligations on sustainability matters in the future

Best in Class Session

Sustainability reporting today and tomorrow

25 July 2023



Content

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Who we are



Who we are: Experienced professionals

Your speaker today

Dr Petra Nix | Owner and Managing Partner

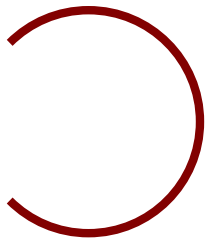
- 30+ years of experience in Corporate Reporting (financial and non-financial), Investor Relations and Corporate Communications
- 9 years Kirchhoff Consult AG, Deputy CEO and Managing Director of the Swiss subsidiary; 2-stage MBO in 2009 and 2010
- 7+ years Head of Investor Relations and Financial Communications with Wella and VIAG (today: E.ON AG)
- 8+ years experience in the banking industry: Bank Julius Bär, Bank Vontobel and LGT in Frankfurt & Zurich
- Lecturer at the University of Applied Sciences Nordwestschweiz in Olten and MAZ (Financial Communication, Sustainability & Corporate Reporting)
- Education: Dissertation University of Surrey (UK), MBA of the University of Rochester (USA), various senior management courses at London Business School and IMD (Lausanne) as well as Corporate Governance at the University St. Gallen (HSG), studies of business administration



Who we are: We are a highly specialized boutique for external corporate reporting

Our areas of competence

Strategic
Communication



Corporate
Reporting



Sustainability
& Governance



Investor
Relations



Corporate
Publishing



We are a **strategy-orientated** consulting and design agency **specialised in corporate** and **financial communication**.
We offer a **one-stop shop** for all services: analysis, consulting, planning, design and project management – **print and online**.

seit 2001  Passion to communicate

Who we are: We are a highly specialized boutique for external corporate reporting

Our USP: We support our clients on their journey towards ESG reporting

Corporate Reporting is facing two megatrends: ESG & digitalization

We know all the current standards, the legal and statutory guidelines, the political initiatives

We support our clients on their individual journey to sustainable reporting

ESG-criteria

Environment

- Climate
- Resource scarcity
- Water
- Biodiversity

Social

- Employees
- Safety and health
- Demographic change
- Food and nutrition security

Governance

- Risk and reputation management
- Supervisory structures
- Compliance
- Corruption

Our expertise in corporate and sustainability reporting comprises the use of standards and frameworks such as GRI, SDGs, TCFD, SASB and Integrated Reporting <IR>.

We help our clients on their ESG and digitalization journey (e.g. the XBRL tagging that will be mandatory in the future).



TRAINING PARTNER

2023



Who we are: Broad client portfolio, mainly stock-market listed companies

Our track record & experience in the Swiss reporting Market

Experience in the Swiss Reporting Market

Givaudan  Basler Kantonalbank **straumann**group

 Galenica  **one** **SWATCH GROUP**

MOBIMO HOLDING  **peach** PROPERTY GROUP  **exentis** group

 EnergieDienst **ABB**  **UBS** **PHOENIX MECANO**

 **SWISS PRIME SITE**  **swisscom** **KABA**  **Cembra** MoneyBank

SCHMOLZ + BICKENBACH AG  Providing special steel solutions  **FEINTOOL**

Others

 **Biogen** **STALLERGENES**  **GREER**
Life beyond allergy

FLUGHAFEN ZÜRICH  **HILTI**  **ZSO**

 **DZ BANK**  **John Lay Solutions**

 **Nobel Biocare**  **Sika** **Allianz** 

 **BMW** **butti** SEIT 1909  **NOVARTIS**

 **MAN**  **Just**  **DÜRR**

Sustainability reporting today



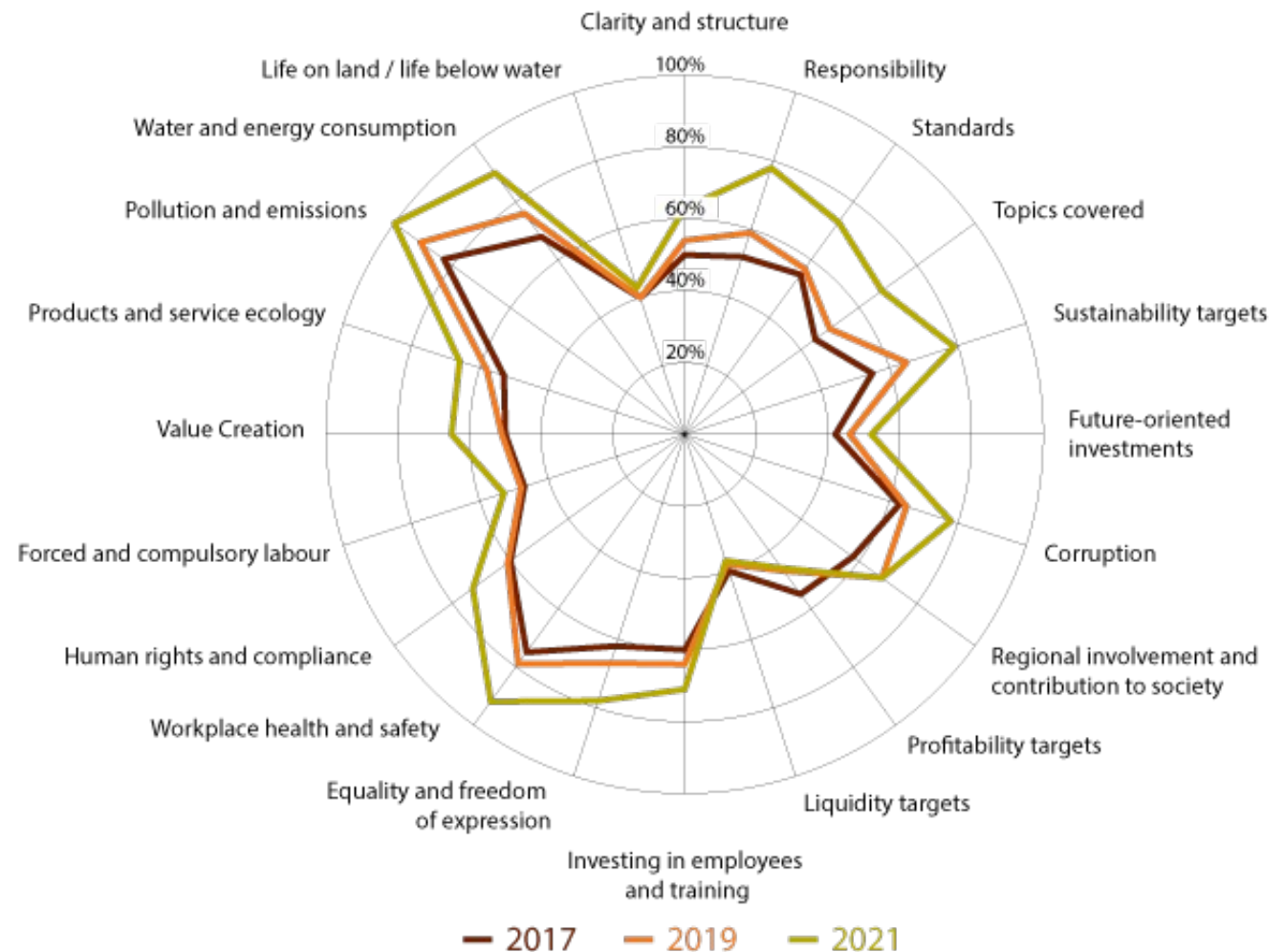
Sustainability reporting today

Where do Swiss companies stand

GRI – the most commonly used framework

80% of companies have sustainability targets

0.5 – 365 range of pages for sustainability



Source: Niklaus, C. (2022) Entwicklungen in der Nachhaltigkeitsberichterstattung der SMIM-Unternehmen; Master Thesis MAS Corporate Finance FHNW

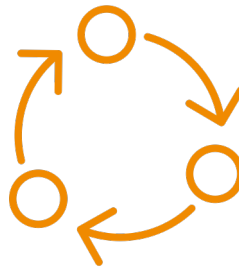
Sustainability reporting today

Where the ESG journey will take us tomorrow



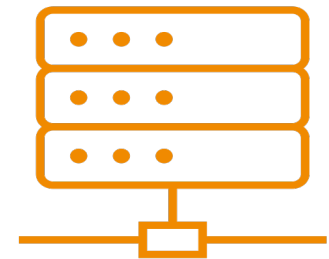
Standards and regulations

GRI, TCFD, CSRD, IFRS 1 + 2



Double Materiality

Inside-out-view and
Outside-in-view



ESG data & digitalisation

Man and machine readable
format

Sustainability reporting tomorrow



Who we are: Experienced professionals

Your speaker today

Tanja Nay | Senior Consultant

- >5 years of experience in investor relations, corporate and sustainability reporting
- 4 years of experience in the real estate industry: Mobimo Management AG, Responsible Investor Relations
- 5 years of experience in the banking industry: UBS Switzerland AG; Wealth Management, advising national and international clients
- Expertise: Value Reporting, Integrated Reporting, Sustainability, Corporate Governance, Financial Communication
- Certified GRI Standards Trainer
- Education: Bachelor of Science in Business Administration with a specialisation in General Management, ZHAW School of Management and Law (CH)



Sustainability reporting tomorrow

Overview of upcoming regulations – Switzerland



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Counterproposal to the responsible business initiative (Art. 964 CO)

- Entered into force on 1.1.2022, **effective for 2023 reports published in 2024**
- In scope are companies with:
 - >500 full-time employees (annual average);
 - and >CHF 20 million balance sheet
 - or >CHF 40 million sales revenues within two consecutive financial years
- **Reporting on non-financial matters:** environment, social, labor, human rights and anti-corruption (Art. 964a to Art. 964c CO)
- Comply or explain principle
- Report requires the **approval and signature of the supreme management or governing body** and will be subject to **shareholder approval** at the AGM
- Report to be **published online immediately after approval** and remain **publicly available for at least ten years**

Sustainability reporting tomorrow

Minimum content required

Swiss Code of Obligations Art. 964 Transparency on non-financial matters

Business model

Environmental matters

Policies adopted and due diligence applied in relation to the matters

Social matters

Measures taken to implement these policies and effectiveness of these measures

Employee-related matters

Description of the main risks related to the matters and how it is dealt with

Respect for human rights

Anti-Corruption

Main performance indicators for the undertaking's activities in relation to the matters

Sustainability reporting tomorrow

Overview of upcoming regulations – Switzerland

Ordinance on Climate Disclosures

- Disclosures on climate issues as **part of environmental matters**
- The climate disclosures are based on the report "Recommendations of the Task Force on Climate-related Financial Disclosures" (TCFD)
- Ordinance enters into force as of 1 January 2024 and is **effective for 2024 reports published in 2025**
- Report shall be in at least **one human-readable and one machine-readable electronic format** (effective for 2025 reports published in 2026) and available on the company's website

Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour

- Audit in relation to minerals and metals shall be carried out annually in a **report to the Executive Committee and the Board of Directors by an audit firm**
- If there are no minerals and metals that originate from a conflict-affected or high risk area, if the import and processing quantities do not exceed the quantities specified in the ordinance and there are no reasonable grounds to suspect child labour in the supply chain, this **finding shall be documented**
- **Small and medium sized companies as well as low-risk companies** are not required to check whether there are reasonable grounds to suspect child labour

Sustainability reporting tomorrow

Minimum content required

Ordinance on Climate Disclosures

Climate disclosures comprise the implementation of the recommendations on the following topics:

- Governance
- Strategy → a.o. transition plan that is comparable with the Swiss climate goals, baseline calculations, methods and standards used
- Risk Management
- Key figures and targets → a.o. GHG emissions, GHG targets, baseline calculations, methods and standards used

Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour

Minerals and Metals from conflict-affected areas and child labour

Supply chain policy on minerals and metals / child labour

Supply chain traceability system

Reporting procedure to raise reasonable concerns

Risk management in the supply chain

Sustainability reporting tomorrow

Overview of upcoming regulations – European Union



Corporate Sustainability Reporting Directive (CSRD)

- Improve reporting quality and comparability, and support actions with regards to the Green Deal, the previous directive NFRD has been revised
- **Expanded scope of companies** to: all large companies + listed SMEs including EU subsidiaries of non-EU companies
- **Double Materiality** approach
- **Audit requirement** (progressively from «limited» to «reasonable»)
- Disclosures must be made in a **separate section in the management report** and companies have to digitally 'tag' the reported information (**XHTML format**)
- More **detailed reporting requirements** regarding business model, strategy, objectives, the role of the Board of Directors and the Executive Board, compliance guidelines, due diligence procedures, risks and indicators
- European Financial Reporting Advisory Group (EFRAG) elaborated the **reporting standards ESRS**, which define the contents according to the CSRD's specifications (general disclosures and industry/entity specific disclosures)
- CSRD will **become effective in stages**

Sustainability reporting tomorrow

Overview of upcoming regulations – European Union



2022	2023	2024	2025	2026	2027	2029
Confirmation of CSRD	Adoption of the EU Universal Reporting Standards (ESRS) → Public consultation until 8 August 2023	Adoption of the sector-specific ESRS, as well as the standards for SMEs and non-EU companies. Reporting obligation for companies previously affected by the NFRD.	Reporting obligation for companies, regardless of their capital market orientation, which fulfill at least two of the three criteria on the balance sheet date: <ul style="list-style-type: none"> – Balance sheet total at least € 20 million – Net turnover of at least € 40 million – Average number of employees at least 250 	Reporting obligation for listed SMEs, small and non-complex credit institutions and captive (re)insurance companies. Excluded smallest companies (balance sheet total max. € 350,000, net turnover max. € 700,000, average of 10 employees).	Reporting obligation for non-EU companies if: <ul style="list-style-type: none"> – they have a net turnover of more than €150 million within the EU – and have at least one EU branch or EU subsidiary 	

Sustainability reporting tomorrow

Sustainability principles, reporting standards and frameworks



Impact reporting
Broad stakeholder range



General principles

INTEGRATED
REPORTING <IR>

Signatory of:



Double materiality
Capital market orientation



Detailed disclosure requirements

Sustainability reporting tomorrow

Sustainability principles, reporting standards and frameworks

Standard / Framework	Scope
UN Global Compact	<ul style="list-style-type: none"> – Principles-based framework for companies, launched by the UN in 2000 – Goal: 10 principles are to be anchored in the everyday life of companies – Annual Communication on Progress (CoP) is required – See example of Swiss Re
Sustainable Development Goals	<ul style="list-style-type: none"> – 17 Sustainable Development Goals and 169 sub-goals – Political objectives of the United Nations that aim to ensure sustainable development – Duration of 15 years until 2030 – See SIKA example for detailed reporting on progress towards the SDGs
GRI	<ul style="list-style-type: none"> – Three-part, detailed standards focusing on reporting the environmental, human and economic impacts of the company's activities – Determine material topics and reporting on the basis of these – See example of Swatch
CDP	<ul style="list-style-type: none"> – Collects data and information on CO₂ emissions, climate risks and reduction targets and strategies of companies on behalf of investors on a voluntary basis using standardised questionnaires – Environmental data is consolidated and made available on a database – See example of Symrise
<IR> Framework	<ul style="list-style-type: none"> – Framework to show value creation including financial & non-financial capital – See example of Givaudan

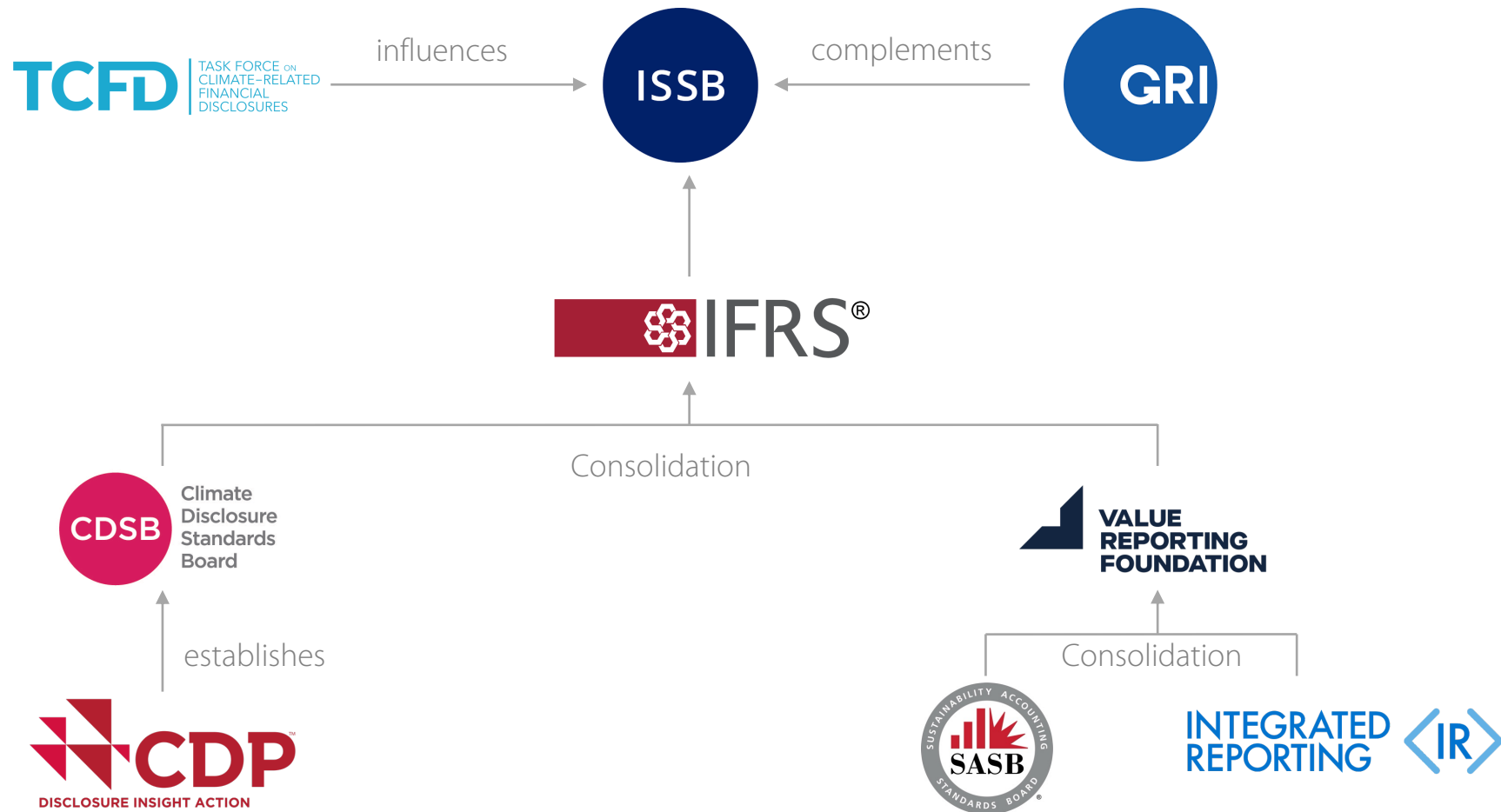
Sustainability reporting tomorrow

Sustainability principles, reporting standards and frameworks

Standard / Framework	Scope
Principles for responsible investment (PRI)	<ul style="list-style-type: none">– UN supported network of investors– Six Principles for Responsible Investment offer a menu of possible actions for incorporating ESG issues into investment practice– See UBS Sustainable investment policy including a commitment to the PRI
SASB Standards	<ul style="list-style-type: none">– 77 industry-specific standards with key performance indicators– Enables organisations to provide industry-based disclosures about sustainability-related risks and opportunities– See example of Blackrock
TCFD	<ul style="list-style-type: none">– The recommendations are structured around four thematic areas for the disclosure of climate-related risks and opportunities for a company– See example of Nestlé

Sustainability reporting tomorrow

Sustainability principles, reporting standards and frameworks



Sustainability reporting tomorrow

Sustainability principles, reporting standards and frameworks

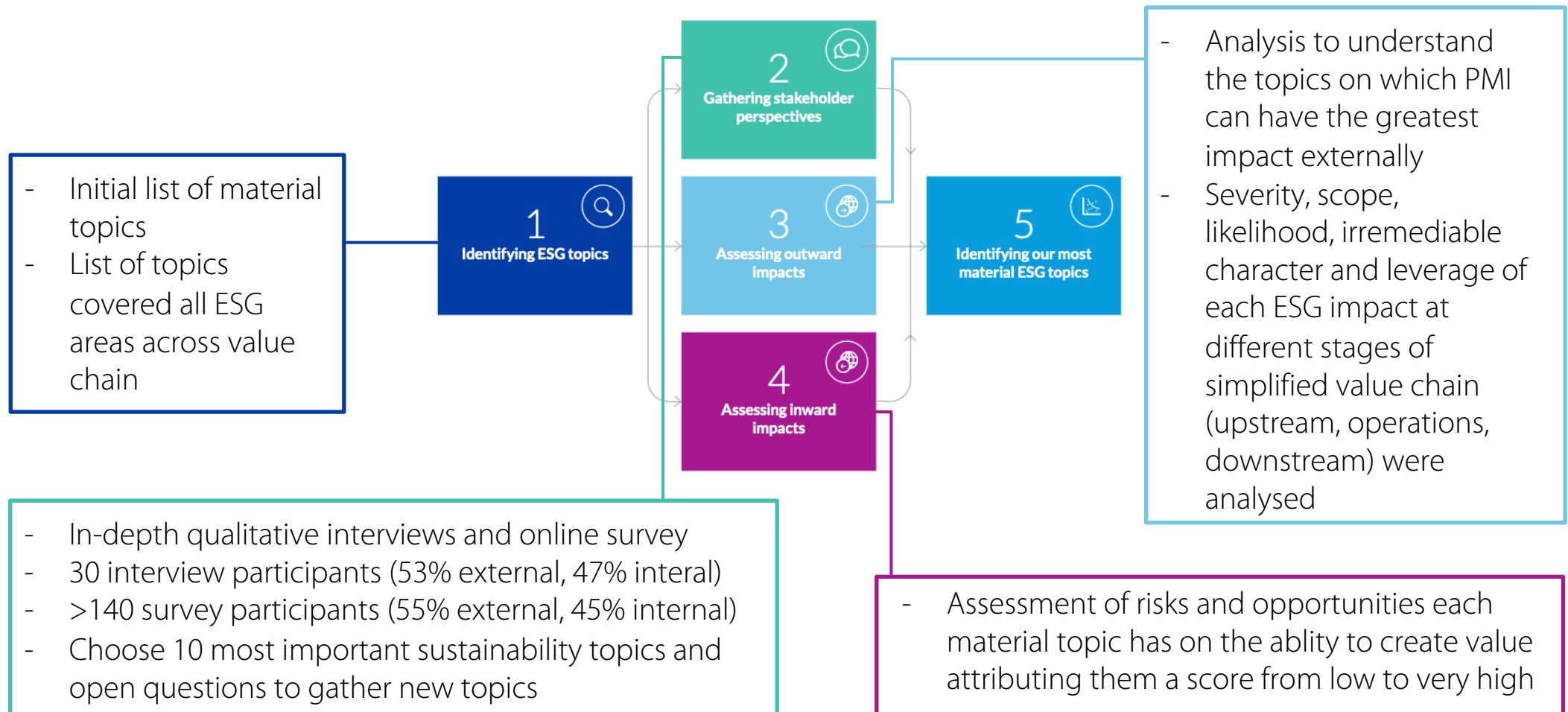
IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S 2 – Climate-related Disclosures

- Information about sustainability- and climate-related risks and opportunities as a basis for decision-making relating to providing resources to an entity
- Can be applied irrespective of whether an entity's financial statements are prepared in accordance with IFRS, but must include the same entities
- Disclosures have to be part of financial statements (e.g., management commentary), cross-references are allowed
- Four main disclosures:
 - **Governance:** governance processes, controls and procedures to monitor and manage sustainability- and climate-related risks and opportunities
 - **Strategy:** approach to manage sustainability- and climate-related risks and opportunities, effects on business model, value chain, financial position, performance and cash flows, resilience of the strategy and business model
 - **Risk management:** processes to identify, assess, prioritise and monitor sustainability- and climate-related risks and opportunities
 - **Metrics and targets:** performance in relation to sustainability- and climate-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation
- Avoid unnecessary duplication by providing integrated disclosures

Sustainability reporting tomorrow

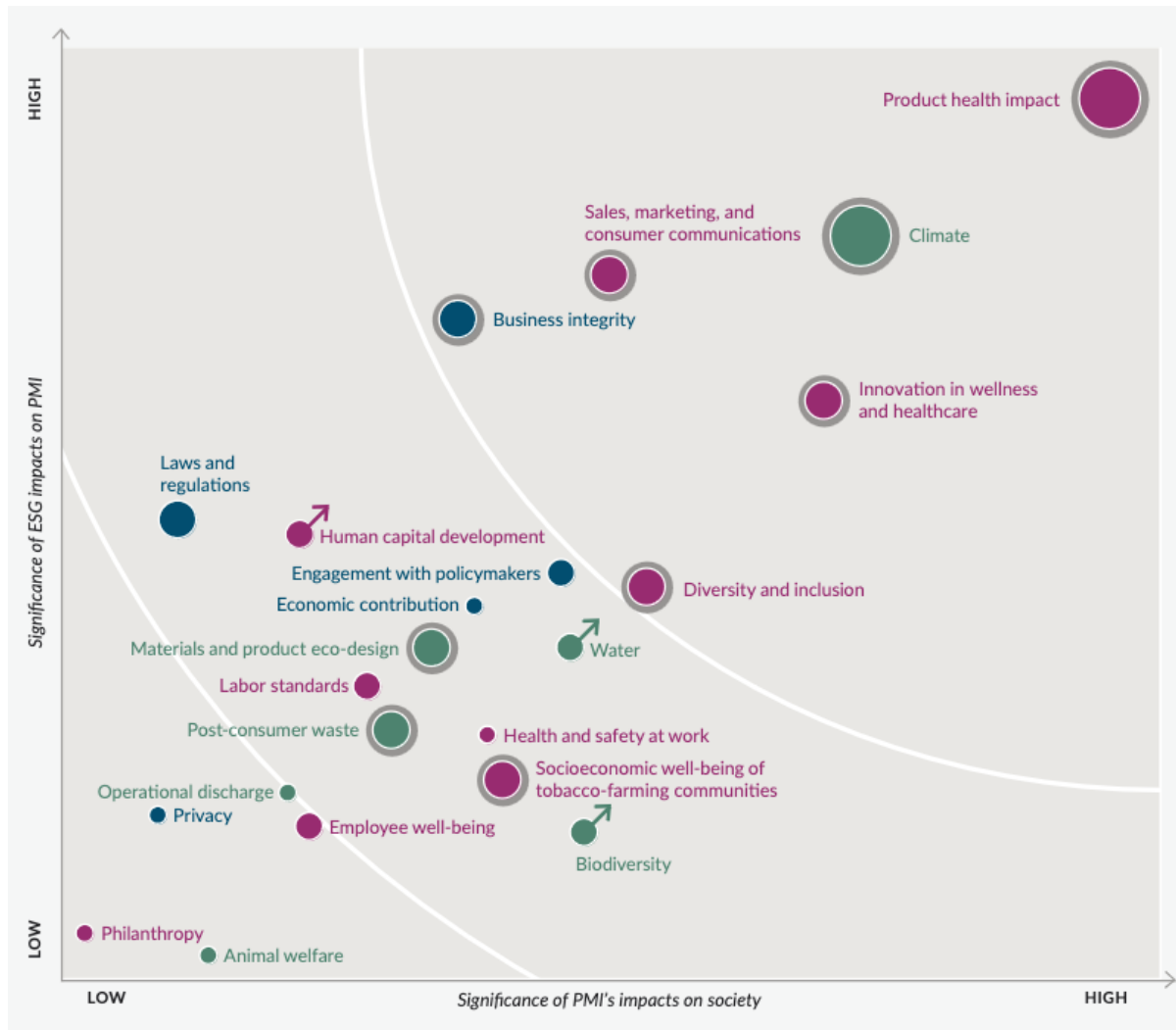
Double Materiality – example Philip Morris International



Source: Philip Morris International (2021) Sustainability Materiality Report

Sustainability reporting tomorrow

Double Materiality – example Philip Morris International



- Results of the inward impact assessment form the "Y" axis
- Results of the outward impact assessment form the "X" axis
- Perspectives of stakeholders reflect different sizes to each topic bubble
- Most material topics reached the highest scores in all the assessments
- Three additional important topics apart from these are marked as emerging topics
- Matrix was approved by executive-level Sustainability Committee

Key	Relevance to our stakeholders	
E ENVIRONMENTAL		Very high
S SOCIAL		High
G GOVERNANCE		Medium
Our most material topics		Medium
Emerging topics		Low

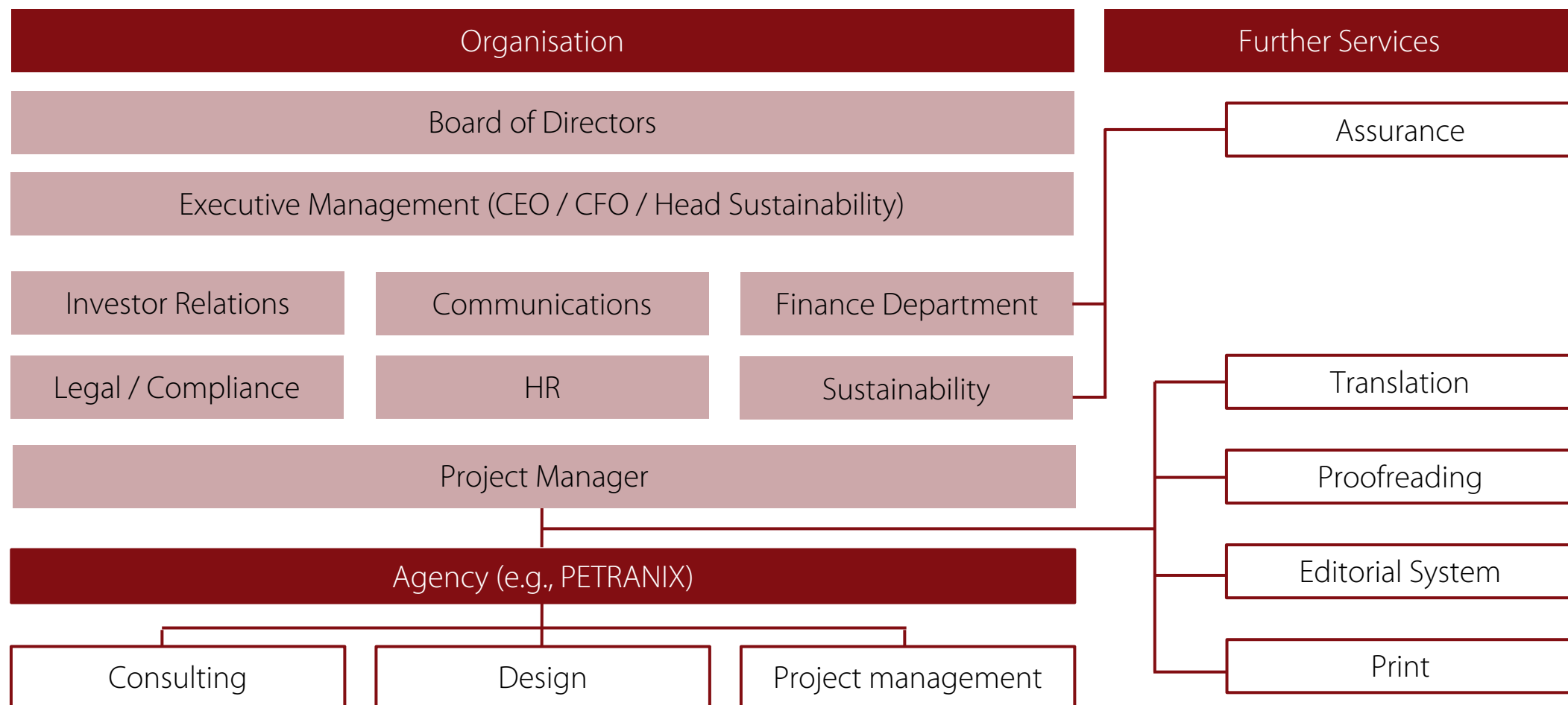
Source: Philip Morris International (2021) Sustainability Materiality Report

Reporting process



Reporting process

Building a project team



Reporting process

Steps towards comprehensive sustainability reporting



We
rethink your
Reporting

STRATEGIC COMMUNICATION | CORPORATE REPORTING
SUSTAINABILITY & GOVERNANCE | INVESTOR RELATIONS | CORPORATE PUBLISHING

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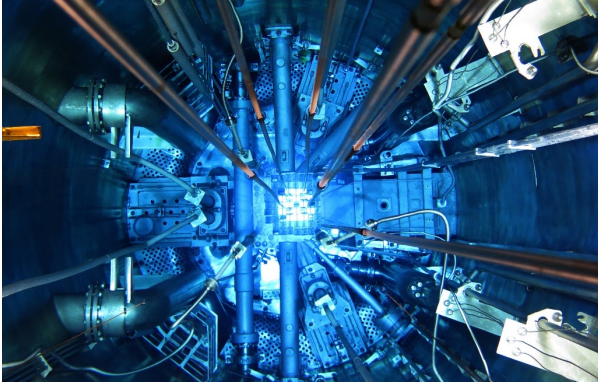
25th July 2023

Our Sustainability reporting journey

Lesson's learnt along the way

Givaudan
Human by nature

A few words about me, Hallvard (Hal) BREMNES





Agenda

About Givaudan

Our Sustainability reporting journey

Sustainability reporting “in practice”

Evolving reporting landscape

Wrap-up



Givaudan products drive millions of consumer decisions every day!

Givaudan
Human by nature

Fragrance & Beauty, Taste & Wellbeing, provide our customers compounds, ingredients and integrated solutions that engage consumers



Savoury



Beverages



Nutraceuticals



Oral care



Fine Fragrances



Personal care



Snacks



Dairy



Sweet goods



Home care



Fabric care



Beauty & skin care

Givaudan

Givaudan

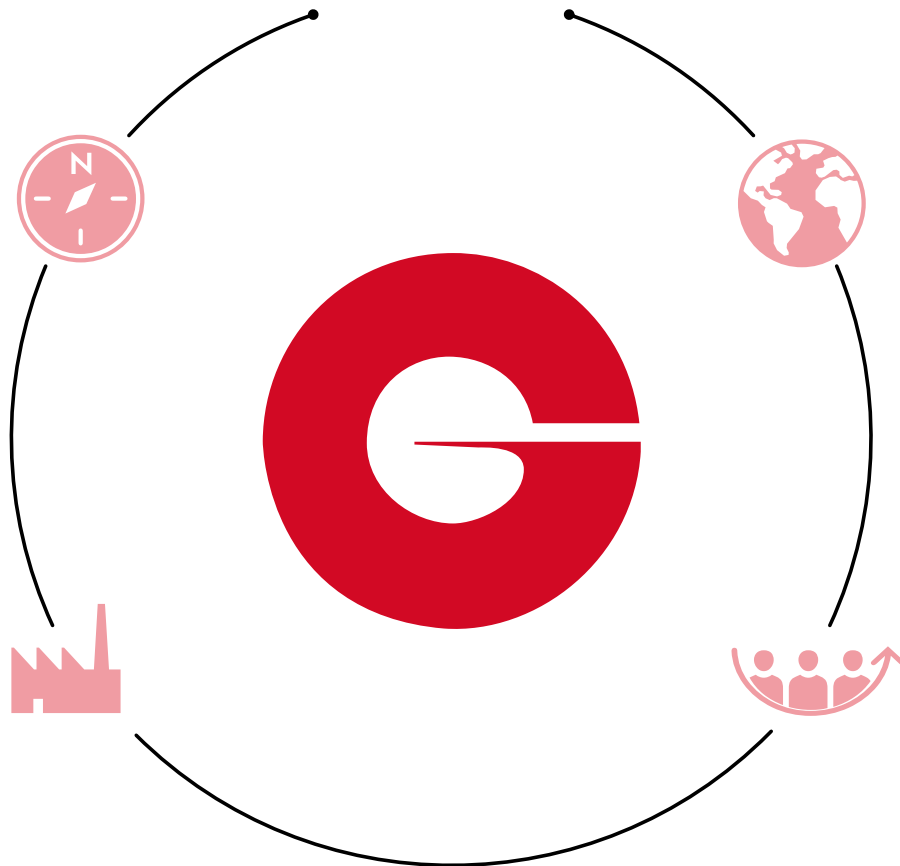
Always by your side

166

Locations
worldwide

78

Production
sites



Presence in

51

countries

16,676

Full time
employees

Givaudan

Creating for happier, healthier lives with love for nature.

Let's imagine together

Creations

Let's imagine together with customers that through our creations more people will enjoy happier, healthier lives



Nature

Let's imagine together that we show our love for nature in everything we do



People

Let's imagine together that Givaudan is a place where we all love to be and grow



Communities

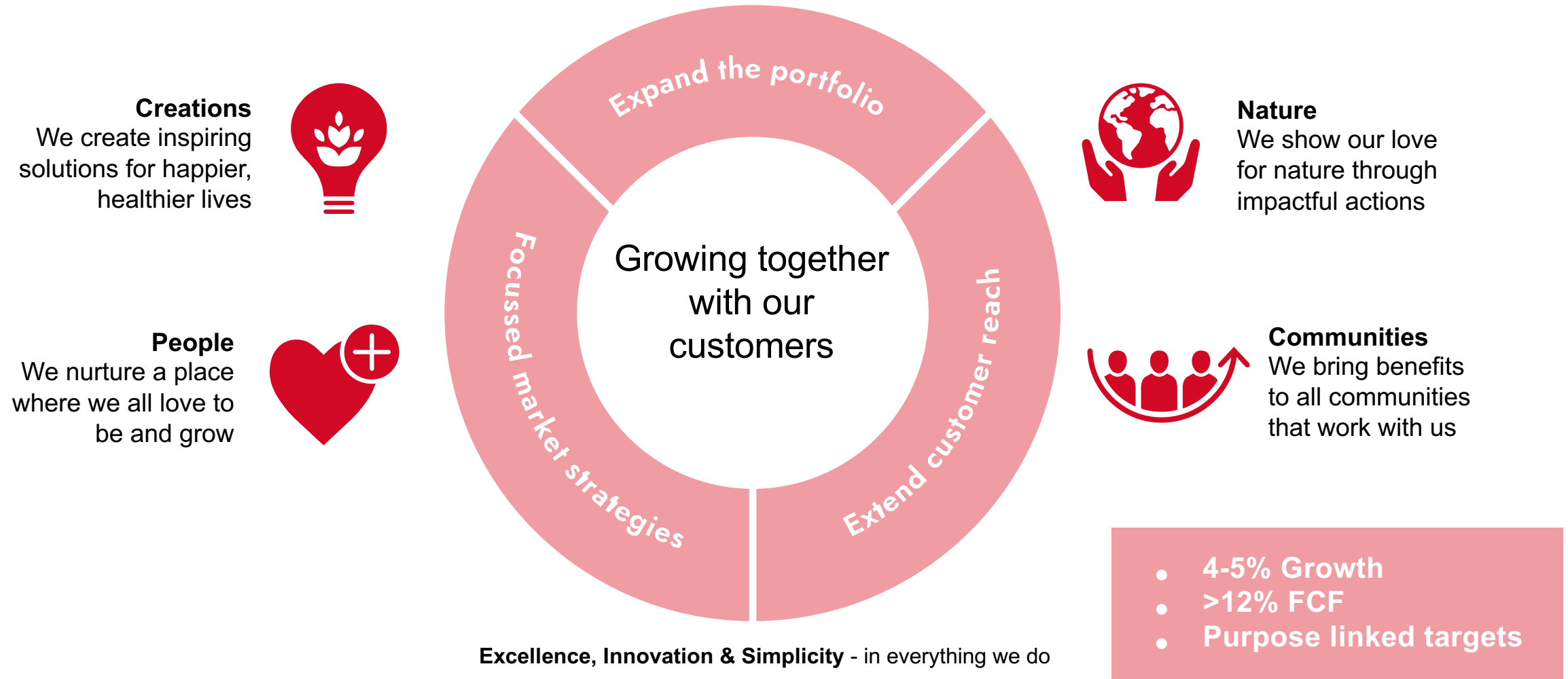
Let's imagine together that all communities benefit by working with Givaudan



Givaudan

Strategy 2025

Committed to Growth, with Purpose



Purpose-linked targets

Encapsulate our approach to ESG



Creations **E S G**

By 2030

- We will double our business through creations that contribute to happier, healthier lives.



Nature **E G**

Before 2030

- Our operations' carbon emissions will be cut by 70% and our supply chain emissions by 20%
- We will replace single-use plastics with eco-friendly alternatives across our sites and operations

Before 2040

- Our operations' will be climate positive and our supply chain emissions will be cut by 50%

Before 2050

- Our supply chain will be climate positive



People **S G**

Before 2025

- Everyone on our sites will have access to mental and physical health initiatives, tools and training
- We will reduce our total recordable case rate by 50%
- We will be rated among the leading employers for inclusion globally

Before 2030

- 50% of our senior leaders will be from high growth markets
- 50% of our senior leaders will be women



Communities **E S G**

By 2030

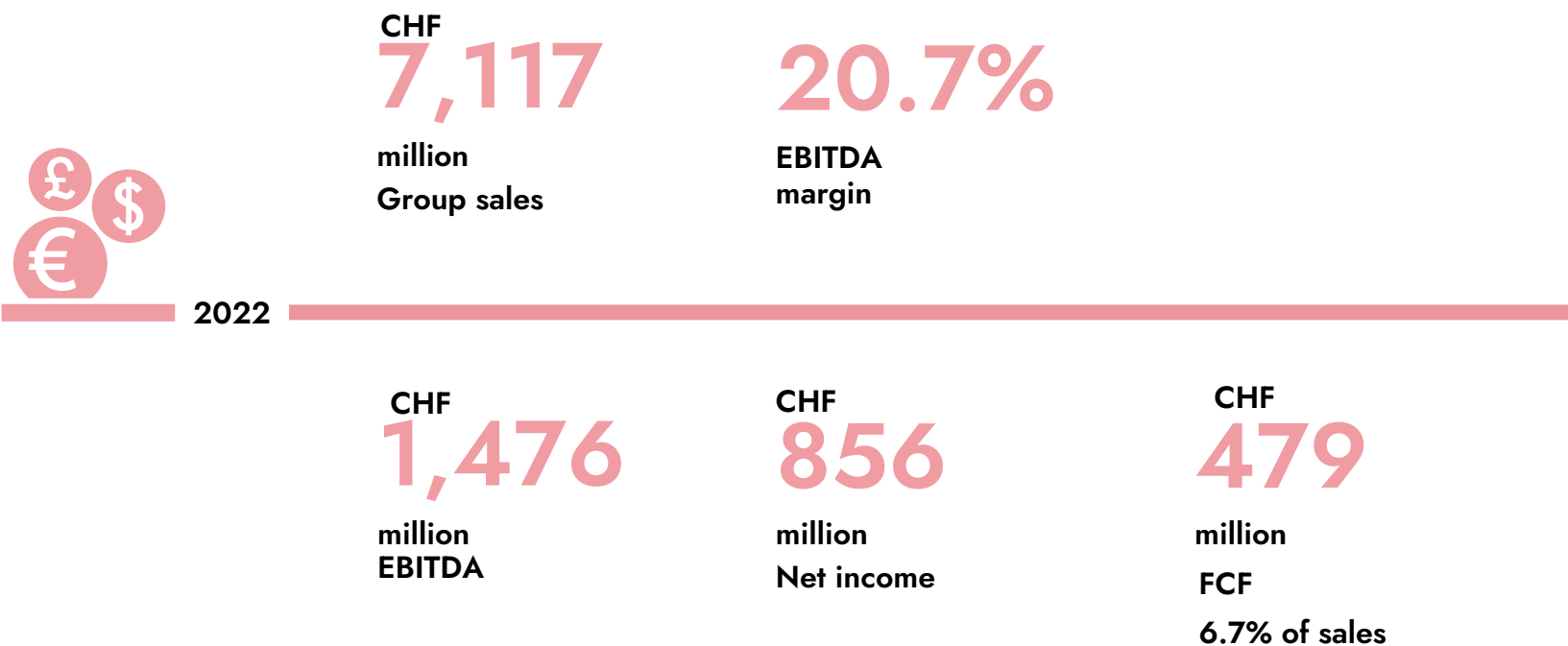
- We will source all materials and services in a way that protects people and the environment
- We will improve the lives of millions of people in communities where we source and operate

Givaudan

E Environment
S Social
G Governance

2022 Full year results

Performance highlights



* LFL (like-for-like) excludes the impact of currency, acquisitions and disposals

Great progress made in 2022

Sustainable performance

Economic

CHF million **7,117**
Sales like-for-like¹

5.3%
Sales growth

6.7%
Free cash flow
as a % of sales

CHF **67.00**
Dividend per share

Environment

90%
Renewable electricity

-35%
GHG emissions scope 1+2
since 2015

-13%
Water withdrawal rate
reduction on sites facing
water-stress since 2020

CDP AA list
Leadership in transparency
and action on climate change
and water security

Social

27%
Women in senior management

-36%
Reduction of recordable case
rate since 2018

100%
Production sites registered
on Sedex

>215,000
People benefitted through
community initiatives

Governance

100%
Non-executive and independent
Board members

20%
Non-financial targets in
Performance Share Plan
compensation

2%
Average base salary difference
between men and women²

88%
Of employees who have
completed the Principles of
Conduct training

1. Like-for-like excludes the impact of currency, acquisitions and disposals.

2. Results for the Givaudan Group globally for equivalent roles and skill sets. For Switzerland's private sector, the average regressed pay gap is 8%.

Great progress made in 2022

Solid track record of ESG ratings



Double 'A list' for climate and water for four consecutive years



CDP leader board recognition for supplier engagement



Awarded the EcoVadis Gold medal, ranking us in the top 3% out of 75,000 businesses



Rated as 'low-risk' in 2022 with a score of 19.3 and a chemicals industry ranking 13 out of 539



Since 2017 Givaudan has been rated AAA by MSCI ESG ratings



FTSE4Good Index Series

Ranked in the top 2% in the FTSE4Good Index Series, among our peers

Sustainability in Corporate Governance

BOARD OF DIRECTORS

Regularly reviews overall progress and direction in **purpose / sustainability**

EXECUTIVE COMMITTEE

Reviews progress and pending decisions in **specific purpose / sustainability ambitions** on a regular basis. Dedicated sessions are held twice a year to review the **overall purpose / sustainability agenda**, including progress and decisions on strategic direction and commitment

ENGAGED TO DEFINE AND DRIVE THE PURPOSE / SUSTAINABILITY AGENDA

Sustainability Leadership Team

Led by the Global Head of Sustainability, it meets twice a month for a regular progress review and to jointly discuss direction and progress in **key purpose / sustainability topics**

Purpose Management Office

Led by the **purpose** project lead. Is responsible to both support the embedding of the **purpose** and identify ways of cascading it down through the organisation

Divisions and functions

Integrate **purpose / sustainability goals and commitments** into strategic plans and embed them into daily business decisions and operations throughout the Company

Management tools

- › Ambitions
- › Policies / Principles of Conduct
 - › Risk management / precautionary principle
- › Corporate Governance
- › External assessments

Stakeholders

- › Constant engagement with internal and external stakeholders
- › Directing our business efforts towards the broader needs of our relevant stakeholder groups

Partners and advisors

- › Partnering with experts and external bodies for collaboration on key matters such as purpose, sustainability, innovation and more



Our Sustainability reporting journey

Givaudan
Human by nature

Our Sustainability journey

2010 – 2015

2010

Support for UN Global Compact pronounced

2015

Givaudan commits to RE100 and to set a Science Based Target

2016 – 2019

2017

New approach to sustainability
“A Sense of Tomorrow” introduced

Setting our GHG emissions target in line with Science Based Targets Initiative

Givaudan commits to contribute to the UN Sustainable Development Goals

2019

New approach to shaping a sustainable future through the newly defined purpose “Creating for happier, healthier lives with love for nature. Let’s imagine together.”

Givaudan aligns target to 1.5°C and signs the UN’s Business Ambition for 1.5°C, reinforcing our commitment to become climate-positive before 2050

2020 – 2022

2020

Givaudan announces its 2025 strategy
“Committed to growth, with Purpose”

Givaudan sets the ambition to become B Corp, the gold standard for good business

2021

Givaudan introduces the new Sourcing4Good programme

Givaudan publishes its Human Rights policy

Givaudan joins Together for Sustainability (TfS)

Givaudan engaged as advisory Board members in the Renewable Carbon Initiative

Givaudan includes TCFD recommendations

Givaudan includes SASB standards mapping

2022

ESG fully integrated in Givaudan’s business

Acceleration of our sustainability digital journey

2023 +

Deliver on commitments

Enhancing our customer value proposition with sustainability & digital

TCFD quantitative scenario analysis

Corporate Sustainability Reporting Directive (CSRD)

...

...

Evolving landscape
ISSB
EU CSRD

Today

Double materiality

CDP Forest

Our reporting “specifics”

UNGC GRI 3.1 Simple materiality RE100 GRI V4 CDP Climate CDP Water SDG SBTi 1.5 Scope 3

External assurance Start of our Integrated Reporting Journey

Integrated Report

Unified publication in January

ESG fully integrated in the business strategy

TCFD
SASB

GRI Standards

Sustainable financing framework leveraging purpose performance disclosure in our reporting suite



Sustainability reporting in practice

(a sneak peak)

Givaudan
Human by nature

Purpose-linked targets

Encapsulate our approach to ESG



Creations **E S G**

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Givaudan



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Purpose-linked targets

Encapsulate our approach to ESG



Creations ESG

By 2030

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Illustration, connected with "Climate" reporting needs

Nature ESG

Before 2030

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- We will replace single-use plastics with eco-friendly alternatives across our sites and operations

Before 2040

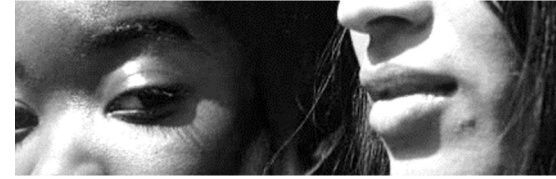
- Our operations' will be climate positive and our supply chain emissions will be cut by 50%

Before 2050

- Our supply chain will be climate positive



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People ESG

Before 2025

- Everyone on our sites will have access to mental and physical health initiatives, tools and training
- We will reduce our total recordable case rate by 50%
- We will be rated among the leading employers for inclusion globally

Before 2030

- 50% of our senior leaders will be from high growth markets
- 50% of our senior leaders will be women



Communities ESG

By 2030

- We will source all materials and services in a way that protects people and the environment
- We will improve the lives of millions of people in communities where we source and operate

E Environment
S Social
G Governance

It all starts by using the right framework & standards

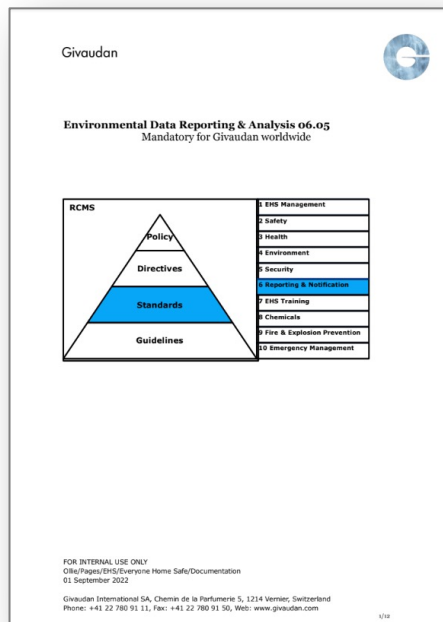
This gives “comparability” whilst paving the way to the adoption of ISSB



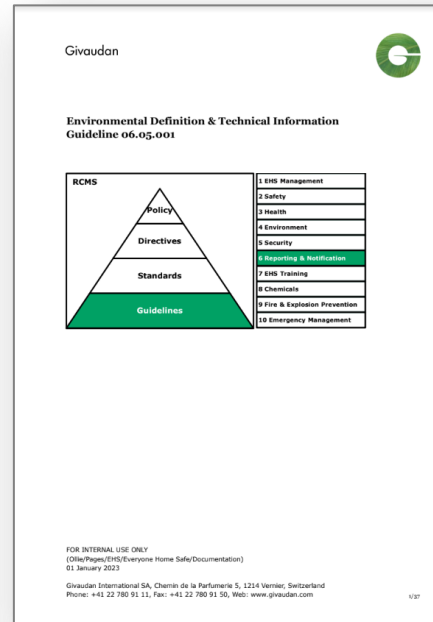
It continues by “knowing what must be managed and how”

This gives visibility on what (really) matters

Reporting process



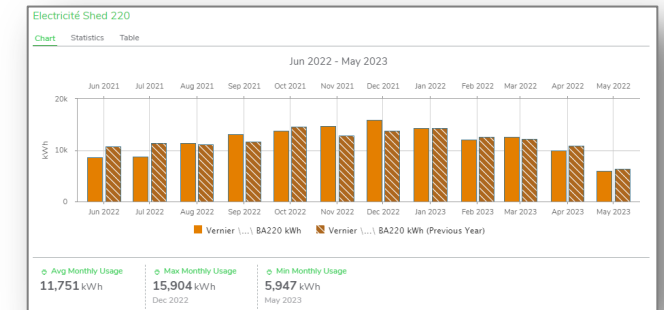
Technical definitions



Cross-functional collaboration



Information sharing systems



Global data reporting tool

All of this is maintained (and nurtured) by the global sustainability expert team



It gets to life at each factory

For establishing CO₂ emissions it's **75 indicators** per quarter with units & **data quality** !

Examples :

- emission factor for natural gas in kg CO₂eq per m³
- electricity self produced from renewable sources in KWh
- Share of geothermal in electricity purchased in %

Data quality:

- data measured?
- calculated?
- estimated?

These datasets are externally audited on a regular basis as these forms the bedrock of our performance management (factory indicators, KPIs and Targets)



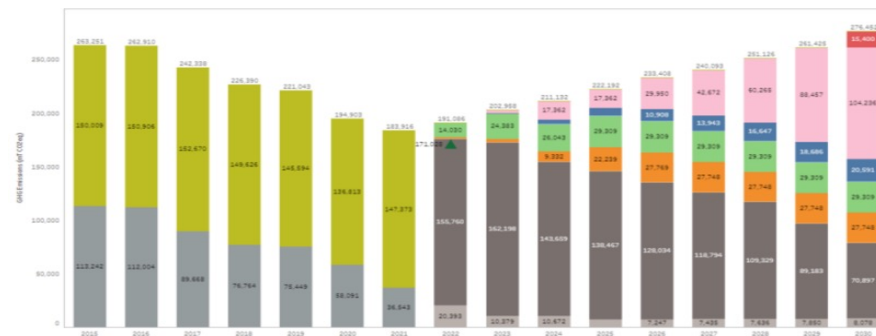
Consolidation at Global level

All factories = about 50'000 information points consolidated... just for CO₂

We fully leverage our **organisational operating model** to fuel performance management :

- Factory EHS manager
- A “solutions team” in our global delivery centre (GBS)
- World-class experts in sustainability & engineering
- A fully fledged “sustainable operations governance” that connects the bottom-up and top-down (incl. budget)

We deliver “glidepaths” to steer resources, budget & actions !



Absolute reduction of CO₂ emissions inclusive of company growth

2015 — Past — **Today** — Future — 2030

We deliver transparent roadmaps ! here is our climate positive one !

Our actions to reach our ambitions

Our supply chain (scope 3)

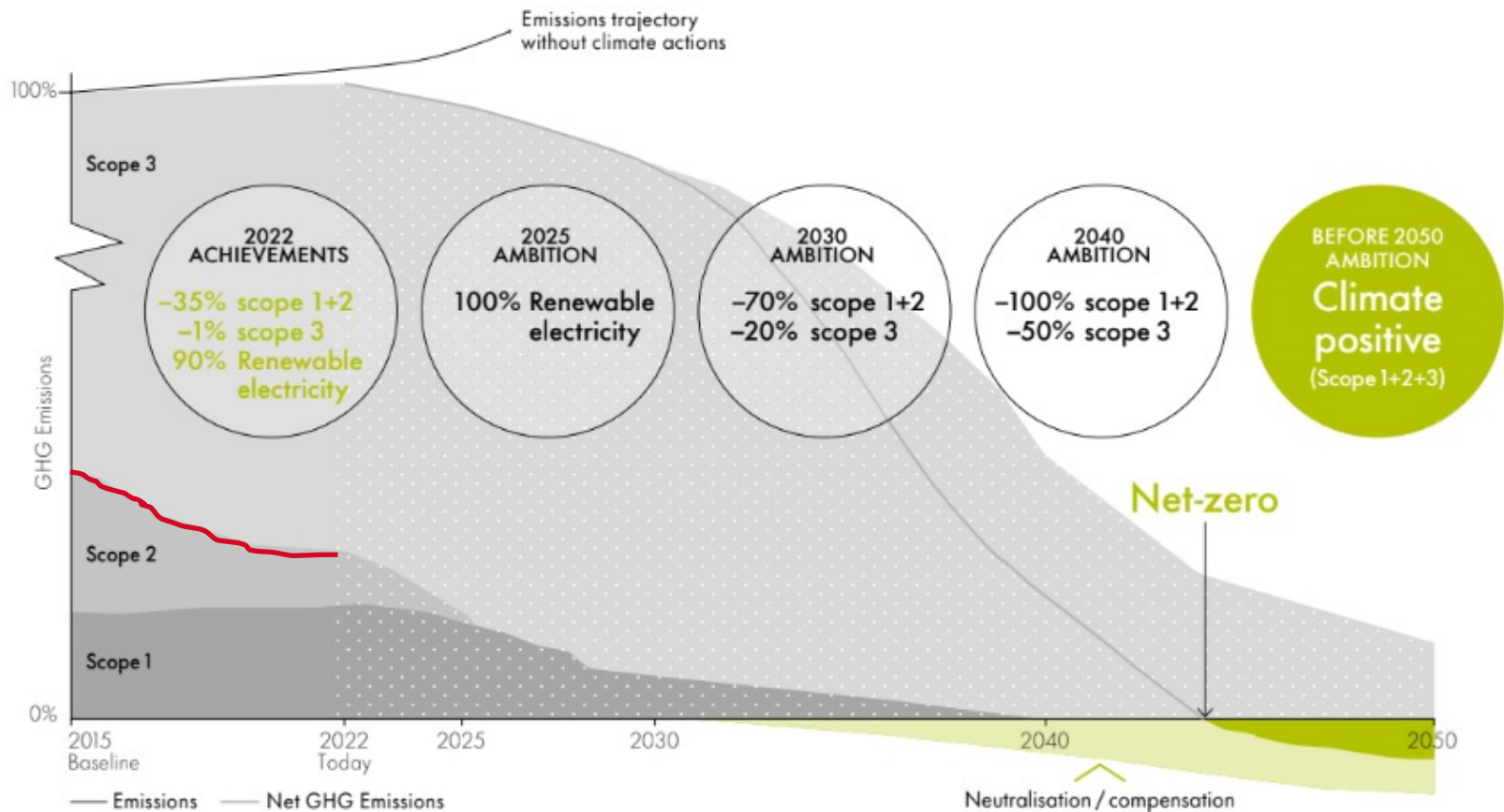
- › Sustainable procurement of ingredients
- › Low-carbon creations
- › Driving circularity and upcycling
- › Optimising packaging, logistics and transport of goods
- › Optimising business travel and employee commuting

Our operation (scope 1+2)

- › Energy efficiency
- › Renewable energy sources

Neutralisation / compensation

- › Natural Climate Solutions (NCS)
- › Carbon capture technology



Illustrative representation

ENABLERS TO REACH OUR AMBITIONS

- › Supplier engagement
- › Innovation
- › Budget and financial mechanisms
- › Advocacy and promotion
- › Partnership and governance
- › Model enhancement

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ICP (Internal Price on Carbon)

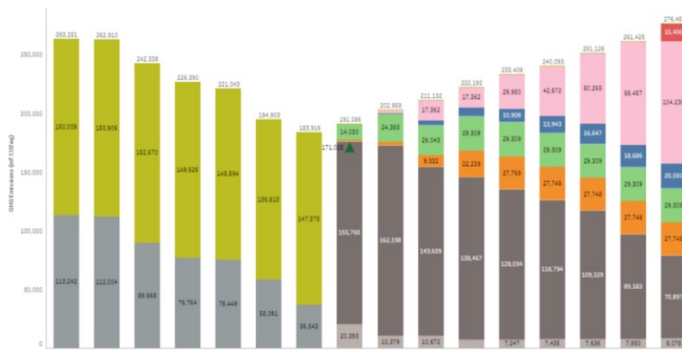


Sustainability reporting in practice

It's a journey and a destination at the same time !

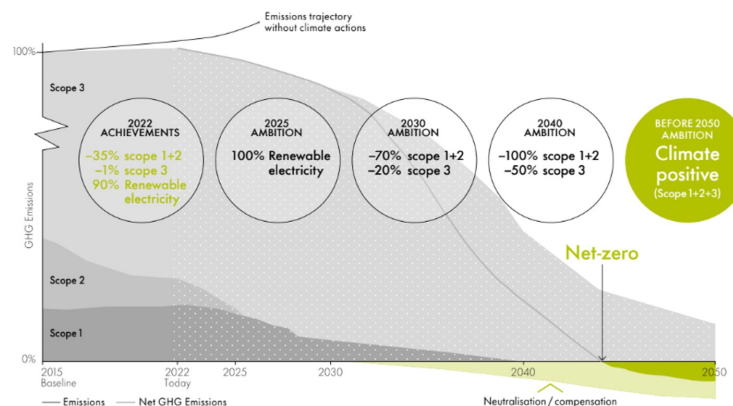
Performance monitoring

- Indicators and KPIs monitoring
- “First time right” index
- Factories performance versus target
- ...



Transparency

- Inclusive value chain mapping
- External audit & assurance
- Publication obligations
- ...



Trusted & integrated performance management !

- Impact demonstrated ! ✓
- Helping our Customer's strategies ✓
- Enterprise Risk Management (ERM) ✓
- Incentives on ESG ✓
- Sustainable Financing framework ✓
- Full ESG performance disclosure end January at the same time as financial performance ! ✓
- Same approach applied for all dimensions of ESG ! ✓
- ... ✓

In a nutshell :
MODERN !



Our reporting suite

[givaudan.com/
sustainability](https://givaudan.com/sustainability)



[givaudan.com/
investors](https://givaudan.com/investors)



Annual publications



2022 Integrated Annual Report
Available in English

READ MORE

- GRI Content Index
- SASB Standards
- TCFD Recommendations



2022 Governance, Compensation and
Financial Report
Available in English



● Online version
Available in English



● 2022 Sustainability Report
Available in English



● 2022 Givaudan and ESG
Available in English

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Evolving ESG landscape

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Human by nature

The ESG/Sustainability Landscape...

A bewildering number of actors and regulations, soft and hard

International Organisations

- UN (UNGC, UNGPBHR)
- OECD
- ILO
- ...

Standard setters

- GRI
- TCFD
- IFRS
- TNFD
- ...

Shareholder engagement/ proxy services

- ISS
- Glass Lewis
- InRate
- Ethos
- ...

State actors

- GB: s172
- EU: NFRD, CSRD, Taxonomy
- Switzerland: RBI counterproposal; new Swiss corporate law
- ...

Rating agencies/ data providers

- Sedex
- CDP
- Ecovadis
- Sustainalytics
- MSCI
- DJSI/RobecoSAM
- ...

Audit firms

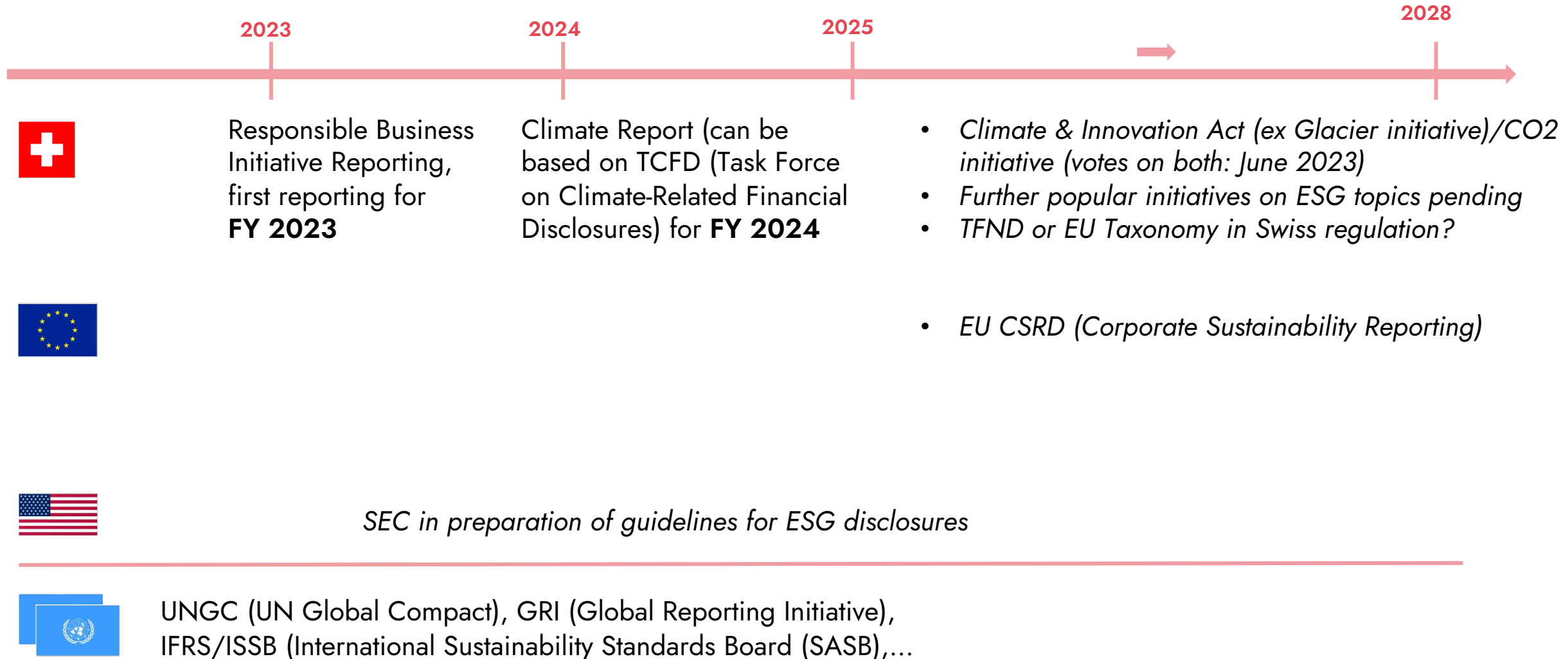
- Deloitte
- EY
- KPMG
- PwC
- SGS
- ...

Others

- B Lab (B Corp)
- Climate Action 100+
- WEF SCM
- ...

... Mainly Boils Down to Reporting Requirements ...

Main new/upcoming reporting regulations and main standards for Givaudan



... but Reporting is the End Point of an ESG Programme

High-level requirements for ESG/Sustainability independent of industry



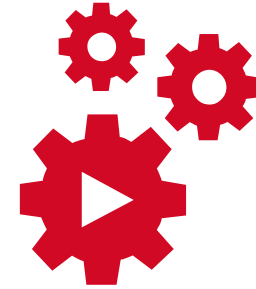
Environmental

- Compliance with all applicable environmental laws and standards
- Environmental risks (in particular climate change/CO2, water, biodiversity)
- Additional actions to conserve the environment as appropriate
- (Double) materiality analysis



Social

- Observation of Human Rights, employee rights, DEI
- Health and Safety of employees and other potentially impacted stakeholders (customers, consumers, contractors)
- Due diligence in the supply chain
- (Double) materiality analysis



Governance

- Governance “content” topics (e.g. anti-bribery)
- Strategy
- Appropriate organisation
- Risk management
- Supervision/Monitoring
- Engagement

• Reporting

25th July 2023

Wrap-up

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Human by nature

Wrap-up 1 / 2 : value delivered

For our external stakeholders

- Reporting requirements fulfilled
- One stop shop for investors, shareholders, customers, rating agencies ... and “robots” !
- Governance Proofpoints (ex. incentive plans)
- Performance tracking enabled for Sustainable financing framework
- Corporate history recordkeeping
- Assurance (external) audits to prevent any form of greenwashing
- ...

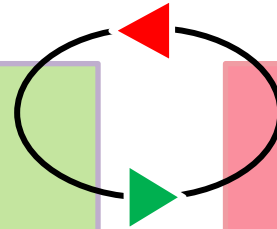
For our internal stakeholders

- Joined up approach (value chain mapping, business model visualization, ...)
- Integrated performance's reference
- Narratives, messages and “lingo” aligned
- Continuous Improvement enabled
- Internal teams reference for external requests
- Hard work & impact documented = pride
- ...

Wrap-up 2 / 2 : lesson's learnt

What has been particularly helpful

- Early adopter for all new reporting frameworks
- Purpose, Sustainability into strategic cycles
- Anticipating what will be important ... driving organizational effectiveness (one publication in January, Scope 3 journey and explanations)
- Working with leading firm on reporting
- Corporate communications team setup covering financial and non-financial reporting
- Yearly reporting benchmarking with WBCSD
- ...



What has been difficult along the way

- Reporting seen a “communication” exercise
- Different levels of maturity: data publication, management processes, tools and functions
- Relies a lot on goodwill of people involved
- Verification and assurance process sometimes perceived as a “lack of trust”
- Acquisitions integration timelines
- Our information is externally verified ... associated value not (really) recognized yet
- ...



**Sustainability
reporting brings
visibility on what
we must call the
"new tangibles"**

The background of the slide is a dark, blue-toned landscape. It features rolling hills and mountains under a night sky filled with many small, bright stars. The overall mood is serene and natural.

Back up slides

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Human by nature

Role of Board in sustainability reporting

Part of effective and transparent Board Governance of ESG/Sustainability

What?	Who?/Where?	When?	How?
Scope	Full Board or Board committee?	Timetable	Requirements for Board/Committee members
<p>Full scope:</p> <ul style="list-style-type: none"> • Strategy • Risk Management • Organisation • Compensation • Engagement • Performance monitoring • Approval of reporting 	<p><u>Generally full Board</u>, because Board considers Sustainability/ ESG an integral part of Givaudan's strategy</p> <p>Committees deal with certain ESG issues:</p> <ul style="list-style-type: none"> • <u>Innovation Committee</u>: Sustainable innovation in products/processes • <u>Compensation Committee</u>: ESG/purpose-linked incentive setting for long-term incentive • <u>Nomination Committee</u>: ESG requirements for board members/senior management • <u>Audit Committee</u>: Review of ESG reporting (starting) 	<ul style="list-style-type: none"> • During strategy setting, "purpose"/sustainability incorporated into strategy • ESG/sustainability topic discussed at every Board meeting (annual calendar) • Regular reporting and monitoring, risk assessment • Both financial and non-financial reporting approved by the Board in January of any given year • Engagement as and at the level that is appropriate 	<ul style="list-style-type: none"> • All Board members require "sustainability literacy" • Regular training on ESG topics and relevant new/upcoming regulations



Hallvard (Hal) BREMNES
Global Head of Sustainability, **Givaudan**

48 y.o.

Norwegian & French

Proud father of Eva (20) and Mats (18)

Hal began his career with Pechiney and Rio-Tinto-Alcan in the metals and mining business working in production, operational excellence, engineering and EHS (Environment, Health and Safety) leadership roles in France, South Africa, Australia and Switzerland.

In 2010 Hal joined Givaudan headquarters in Geneva as global safety lead. He subsequently took on roles of increasing responsibility in the area of EHS and was appointed Head of Corporate EHS in 2015.

In 2019 he was appointed **Global Head of Sustainability**, and is now in charge of company end-to-end sustainability programs (from supplier engagement to enhancing value proposition to Customers) covering environmental action (climate Scope 1+2+3, water stewardship, waste & plastics circularity), Responsible Sourcing, Social responsibility, Human Rights, sustainability and ESG reporting & communications. Last but not least Hal supports the integration of ESG topics in company's incentivization schemes, investor relationship as well as the development of sustainable linked financing frameworks.

Hal holds an general engineering degree from Ecole Centrale de Lyon, France and a Master's degree in fluid mechanics