

GIVAUDAN, A SUSTAINABLE INVESTMENT CASE

Givaudan, with CHF 6.7 bn sales in 2021, is a global industry leader creating game-changing innovations in food and beverage, and inspiring creations in the world of scent and beauty. We operate in the expanded market space of flavour & taste, functional & nutritional ingredients, and fragrance & beauty.

By Pierre Bénaïch



PIERRE BÉNAÏCH
is Head of Investor & Media Relations at Givaudan. He is an experienced investor relations leader with over 20 years encompassing equity, debt and ESG investor relations across different sectors and countries.

With our heritage stretching back over 250 years, we have a long history of creating and innovating scents and tastes. We are committed to driving purpose-led, long-term growth with the intention of increasing our positive impact on the world by innovating sustainable solutions while showing our love for nature and leading the way to improve happiness and health for people.

Committed to Growth with Purpose

Our 2025 strategy is derived from our purpose and sets out our roadmap to deliver sustainable value creation over the next five years for all our stakeholders. Committed to Growth, with Purpose outlines our intention to deliver growth in partnership with our customers, achieve ambitious financial targets, while also making progress on our longer-term purpose ambitions in the areas of creations, nature, people, and communities. This is supported by our ongoing journey to becoming a B Corp certified company, helping us to live up to the highest standards of being a responsible and sustainable business as we strive to be a force for good. Our certification will be the independently verified proof that we are acting on our purpose goals and successfully balancing people, planet, and profit.

Our strategy is powered by three core growth drivers and four growth enablers, and is supported by our focus on Excellence, Innovation, Simplicity in everything we do.

- 1. Expand the portfolio**, by going beyond our current portfolio to further expand into nutrition, food ingredients and beauty.
- 2. Extend customer reach**, by embracing opportunities in today's more fragmented customer landscape and driving growth in the local and regional customer segment, and
- 3. Focussed market strategies**, by maximising mature market opportunities at the same time as extending our high growth market leadership.

The four growth enablers are: **Creations**, by expanding strategic relationships with suppliers, start-ups and partners, and by enhancing co-creation with customers; **Nature**, by further embedding environmental sustainability in our product portfolio and continuing our efforts in sourcing responsibly; **People**, by nurturing a diverse and inclusive workforce, by evolving workplace trends, and by caring for employee health and wellbeing; and **Communities**, by bringing benefits to all communities that work with us, including the communities where we source and operate.

For this 5-year period, we have set ambitious financial targets of achieving an average organic sales growth of 4-5% on a like-for-like basis and an average free cash flow of at least 12% of sales. Quite importantly, we have also introduced purpose-linked targets, notably in the field of carbon footprint, diversity and inclusion and employee safety and wellbeing.

Sustainable value creation for a sustainable investment case

Since the Company's IPO in 2000, we have created over CHF 40 billion of total shareholder return, with an average annual yield of 13.6% compared with 4.6% for the SMI Index in the Swiss market. The dividend has risen year on year, reflecting our commitment to returning cash to shareholders.

Givaudan has demonstrated the resilience and efficiency of our natural hedges across geographies, customer types and product categories. As unique co-creations with our customers, our products are supported by consumer insights and diver-

sified exposure to all regions and customer segments. This broad portfolio of products, geographies and customers provides a natural hedge to offer opportunities for consistent growth. With the highest standards of a responsible business, we will continue on our path of sustainable value creation for all stakeholders, driven by our purpose to do things differently, push ourselves to go further and contribute to tackling society's big challenges. We invest for the future, committed to growth for people, planet, and profit.

As the climate crisis looms and social inequalities rise, consumers are looking to vote with their feet and support businesses that they believe act responsibly and play their part in addressing these societal challenges. They are looking for products that are produced in a way that does not cause harm to the environment leading to greater transparency on sourcing and responsible innovation.

Givaudan supports the UN Sustainable Development Goals and focuses its efforts on the 10 goals to which we feel we can contribute the most. Our work in sustainability and ESG has been widely recognised externally. This includes our ESG risk rating by Sustainalytics which categorised the business as low-risk and amongst industry leaders with a ranking of 13 out of 480. It also includes CDP double A rating for the third consecutive year for leadership in climate action and water stewardship, a gold EcoVadis medal, inclusion in the SXI Swiss Sustainability 25 index, inclusion in FTSE4Good Index Series ranking us in top 2% performers among peers, and in MSCI ESG AAA rating since 2017. Far from being a burden, we are convinced there is a clear financial and commercial advantage to being sustainable – allowing us to ensure our continued market position and staying relevant to customers and consumers in the future. By doing good we will do well.