



Media Release

Geneva, 27 August 2020

Givaudan announces its 2025 strategy: Committed to Growth, with Purpose

- The Company aims to deliver sustainable value creation for all stakeholders over the next five years
- Customers are at the heart of the strategy, supporting them to create brands that are loved by consumers
- New divisional naming also announced to reflect the expanded offering of its portfolio

Givaudan today announces its roadmap and ambitious financial targets for the next five years. Over this period, the Company aims to deliver:

- Average organic sales growth of 4-5% on a like-for-like basis
- Average free cash flow of at least 12%
- On non-financial targets around sustainability, diversity and safety linked to the Company's purpose*

"Committed to Growth, with Purpose" is our vision and roadmap for the next five years, continuing to create long-term value for all our stakeholders. Customers are at the heart of our strategy, we work in close partnership with them to provide creative, innovative and sustainable solutions that are loved by consumers," said Givaudan Chief Executive Officer Gilles Andrier. "We aim for continued ambitious financial targets while striving towards achieving our longer-term purpose ambitions in the areas of creations, nature, people and communities."

Givaudan's strategy over the next five years is fully in line with its purpose "Creating for happier, healthier lives with love for nature", and is based on **three growth drivers** and **four growth enablers**.

Givaudan's 2025 strategy

Givaudan continues to place customers at the heart of its business, supporting them to create brands that are loved by consumers. Helping its customers to continue to grow, the Company will focus on three key growth drivers for the next five years.

* www.givaudan.com/our-company/about-givaudan/our-purpose





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Three growth drivers

- **Expand the portfolio** brings together the Company's core business and the enhanced value proposition from the 16 acquisitions successfully integrated since 2014. The Company will continue to further expand beyond the current portfolio of flavours and fragrances, naturals and delivery systems into nutrition, food ingredients and beauty. This broader offering will help customers to better respond to consumer demand for products that support health and wellbeing, positive ageing and changing lifestyles, whilst meeting their ethical and responsible business expectations.
- **Extend customer reach** to a rapidly changing and more fragmented customer landscape. The trend for smaller and local brands will drive growth in the local and regional customer segment, while there will be continued potential with larger international and global customers. Being a partner of choice to all its customers remains key, which means providing more tailored approaches to meet the wider ranging needs of all its customers.
- **Focused market strategies** responding to the growth forecast in global consumption. In the last strategy cycle, the Company made a number of investments in high growth markets to ensure greater proximity to its customers and develop further understanding of local consumer preferences. Over the next five years, the Company intends to maximise mature market opportunities whilst at the same time extend its high growth market leadership, particularly in China.

To support its growth ambition, the Company will continue to seek opportunities that it believes will create value for its customers and other stakeholders alike.

Four growth enablers

Supporting the three growth drivers, the Company will focus on four growth enablers to meet its ambitions:

- **Creations: We create inspiring solutions for happier, healthier lives**
Innovation remains a critical factor in creating better and more sustainable solutions for its customers. The Company aims to expand and deepen the strategic relationships it has with suppliers, start-ups and partners; enhancing collaboration and co-creation with customers to develop innovative solutions for the future.
- **Nature: We show our love for nature through impactful actions**
The Company demonstrates its love for nature with a particular focus on climate, water and forests preservation. Environmental sustainability will be further embedded in the product portfolio and alternative solutions found to preserve precious natural resources. Sourcing for good is a critical component of this enabler, through strengthening the Company's industry leading responsible sourcing and traceability programme, and driving supplier engagement on environmental actions.



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- **People: We nurture a place where we all love to be and grow**
The employee focus over the next five years is to ensure that Givaudan is a place where everyone feels welcome, valued and inspired. Before the end of this strategy cycle, the Company aims to be rated among the leading employers for inclusion globally. As a business that cares for the health and wellbeing of its people, new programmes will be implemented to further support its employees.
- **Communities: We bring benefits to all communities that work with us**
Delivering sustainable value creation for all its stakeholders also includes the communities where it sources and operates. Working in partnership with its suppliers, the Company will further embed responsible sourcing to source all materials and services in a way that protects people and the environment. The Company will also empower its employees to develop sustainable, scalable solutions together with communities to contribute to happier, healthier lives.

The three growth drivers and four enablers are all supported by a focus on: Excellence, Innovation & Simplicity – in everything we do.

The Company aims to deliver the highest standards across its value chain, from operational and financial performance to the delivery of a superior customer experience. From having industry leading solutions and services, to expanding the use of digital enabled collaboration to the adoption of manufacturing automation, these all support its customer centric approach. Innovation is the lifeblood of the Company's activities, creating differentiating solutions that address its customers' challenges and leading the way in spaces such as biotechnology and digitalisation.

CEO Gilles Andrier concluded: "We are proud of the great progress we are making to complete our current 2020 strategy: Responsible growth. Shared success. This is only possible due to the strength of our relationships with our customers, and the dedication of our passionate 16,000 employees around the world. This remains central to our success over the next five year roadmap and beyond. Committed to Growth, with Purpose is our aim to deliver sustainable value creation that benefits all. In pursuing B Corp certification we also firmly show the type of business we want to be, one that acts as a force for good, delivering profit with purpose."

New division naming and value proposition

To reflect the expanded portfolio and product offering, Givaudan is evolving the name and positioning of its two divisions.

Its Flavour Division will be **Taste & Wellbeing** which captures the value it brings to customers by shaping the future of food, going beyond great taste to create food experiences that do good and feel good, for body, mind and planet.

Its Fragrance Division will be **Fragrance & Beauty** which reflects the division's vision to be the creative partner of choice in personal, fabric, hygiene and home care and also in fine fragrances and beauty overall.



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About Givaudan

Givaudan is the global leader in the creation of flavours and fragrances, with its heritage stretching back over 250 years, the Company has a long history of innovating scents and tastes. From a favourite drink to your daily meal, from prestige perfumes to cosmetics and laundry care, its creations inspire emotions and delight millions of consumers the world over. The Company is committed to driving purpose-led, long-term growth while leading the way to improve happiness and health for people and nature. In the fiscal year 2019, the Company employed over 14,900 people worldwide and achieved sales of CHF 6.2 billion and a free cash flow of 12.7% of sales. Let's imagine together on www.givaudan.com.

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