

# Givaudan Water Policy

December 2021



Givaudan



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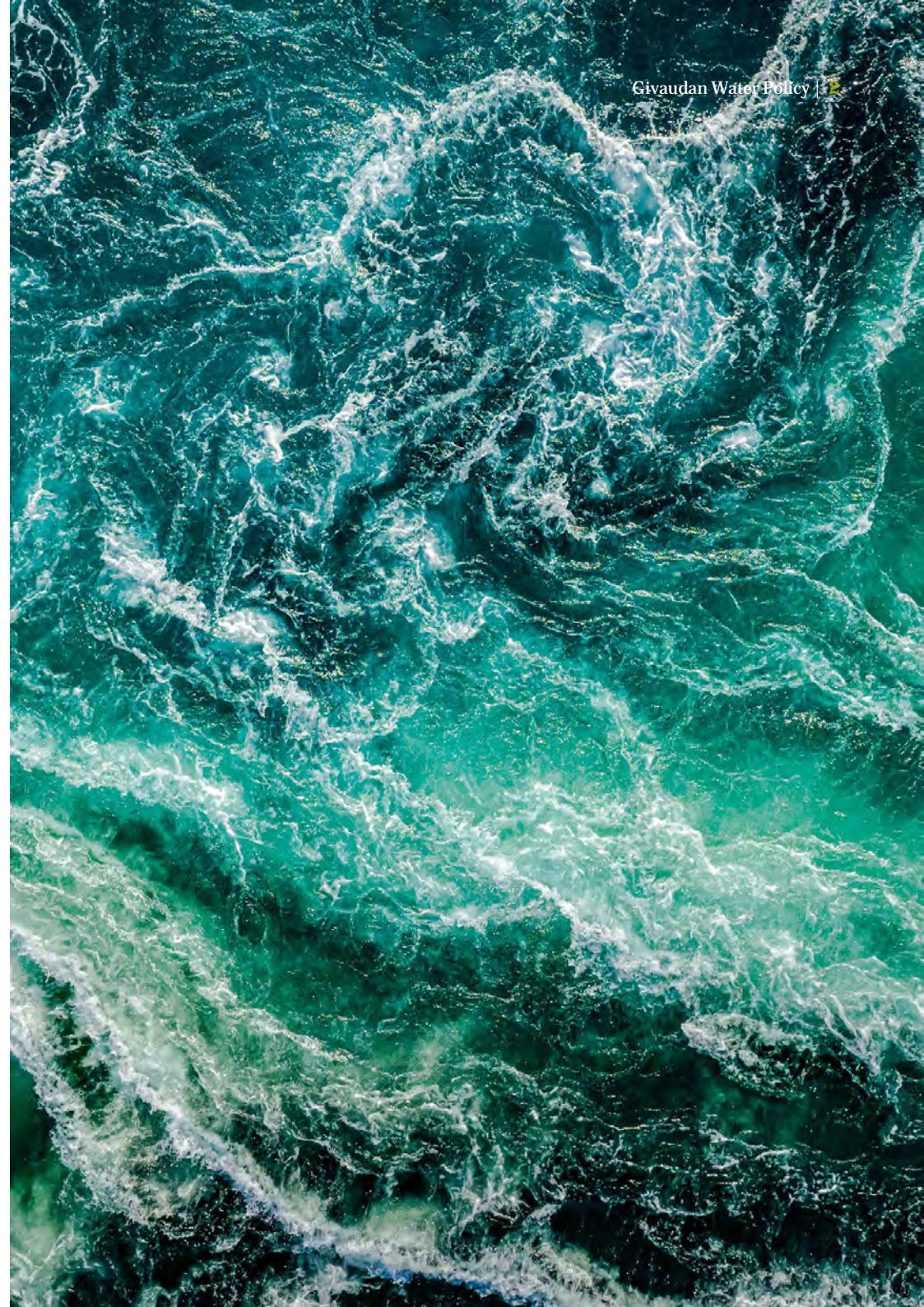
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# Introduction

## Our commitment to water stewardship

Givaudan's Water Policy emphasises our commitment to water stewardship.

It is driven by our purpose: *Creating for happier, healthier lives with love for nature. Let's imagine together*; in particular, showing our love for nature in everything we do and improving the lives of millions of people in communities where we source and operate.

As an industry leader with 250 years of heritage, we take our responsibility and strive to drive a positive impact in watersheds where we source and operate. We are therefore focusing on where and what matters most:

### In our operations:

- securing water supply and optimising water use; and
- continuously improving how we manage effluent discharge

### In our supply chain and communities:

- reducing water risk in the supply chain
- improving water quality management aspects
- fostering sustainable water use at the watershed level; and
- improving access to Water, Sanitation and Hygiene (WASH)



Our targets and goals are aligned with the United Nations Sustainable Development Goals, and we focus our attention specifically on activities related and contributing to SDG 6 and SDG 12.

## Shared water challenges

**Water is a precious natural resource that we are committed to protecting.**

Shared water challenges are likely to increase in frequency and intensity in the coming decades associated with climate change and extreme weather events. Declining water quality, long-lasting droughts and increased water-stress are all elements identified as material water risks faced by some of our operations and supply chains.

We need to work collaboratively with our neighbours - including suppliers, local partners and communities - to address water challenges at watershed<sup>1</sup> level so we can regenerate stressed watersheds and mitigate water risks.

We are confident that managing water as a precious resource and reusing it as much as possible will allow us to mitigate watershed challenges and to improve the lives of everyone along our value chain.

<sup>1</sup> **watershed** is defined as the area of land from which all surface runoff and subsurface waters flow through a sequence of streams, rivers, aquifers and lakes into the sea or another outlet at a single river mouth, estuary or delta.

Source: Alliance for Water Stewardship Standard



## Our impact on water

**At Givaudan, water is essential to our production activities and to our entire value chain.**

Much of the water we use **in operations** is for hygiene and cleaning, cooling and processing. Only a very small amount of high quality water is used as an ingredient in our products. Quality and availability are therefore important as Givaudan cannot operate without access to sufficient fresh water. We need to secure water supply and optimise water use.

Our use of water generates wastewater and we need to ensure that this water is treated appropriately before being discharged back to the environment.

Our water footprint assessment shows that our primary use of water **in our supply chain** is related to the raw materials that rely on agricultural irrigation. We also use synthetic raw materials that require water in production. The availability and quality of water is therefore important to our sourcing. The quality and availability of certain raw materials is

also directly related to sufficient amounts of quality freshwater being accessible.

Risks highlighted through the water risk assessment include:

- **Operations:** water use in water-stressed areas, potential impact of water discharge, operations in areas with potential impacts on vulnerable ecosystems or where access to safe water and sanitation is limited.
- **Supply chain activities:** sourcing raw materials that are in water-stressed areas, potential water pollution from agriculture-related activities, insufficient effective management of effluent discharges, and sourcing in areas where access to safe water and sanitation is limited.

Water-related opportunities for Givaudan include reducing the pressure on water resources through efficient product solutions that reduce water use over their life cycle and developing best agricultural practices for specific ingredients used in our products.



## Our guiding principles

**Givaudan is committed to having a positive impact on water where we source and operate. Our guiding principles are driven by our purpose and follow best practices from the UN CEO Water Mandate, the United Nations Sustainable Development Goals.**

In our operations, we want to set clear targets to optimise water efficiency, with a focus in water stressed areas, and wastewater treatment.

In our supply chain and communities, we want to set goals that develop watershed strategies and collaborative actions in our priority sourcing areas.

We believe that our business model must be fully aligned with, and contribute to, sustainable water management in the key watersheds where we source and operate, particularly in high water-risk watersheds.

We intend to champion water stewardship, working to protect water-dependent ecosystems and encouraging the sustainable use of water resources.

We also recognise that access to fresh water and sanitation services are an essential human right. Therefore, we strive to protect water resources and we promote global access to Water, Sanitation and Hygiene (WASH) principles, seeking to guarantee access to water to all our employees and to vulnerable communities in the areas where we source and operate.

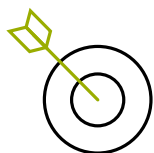
We want to ensure that our suppliers implement WASH principles and sustainable use of water in their operations and reduce their impact on the watershed where they operate.

To apply the best and most recognised existing standard, Givaudan has endorsed the CEO Water Mandate to drive water sustainability and security.

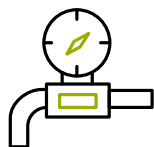


## Our achievements so far

### Some recent milestones include:



Reaching our 2020 water target to achieve 15% reduction per tonne of product (since our baseline year of 2009); this is three years ahead of our schedule



Decreasing our water intensity by 31%, in 2020 (vs 2009)



Being recognised for leadership in water security by CDP, which awarded us the highest 'A' score for the last three years



### Other achievements also include:

- Analysis of the Company's value chain water footprint
- water risk assessment of our sites and supply chain
- Our strengthened responsible sourcing approach, **Sourcing4Good** now integrating a water focus within our supply chain.



## Our 2030 ambitions

### In our operations, our targets are :

- We will improve water efficiency by 25% on sites facing water stress compared to 2020 levels
- We will continuously improve water efficiency on all other sites
- 100% of our wastewater discharge will meet or exceed regulatory and industry standards



### In our supply chain and in our communities\* , our goals are:

- We will improve and protect water quality and quantity in our priority natural supply chains
- We will improve access to WASH in vulnerable communities where we source and operate

\* These goals contribute towards the Communities goals of our purpose





## Means

To achieve these targets, **in all our operations sites** we will:

- Implement our wastewater standard, highlighting requirements to be fulfilled on all sites in addition to the regulatory requirements
- Drive continuous improvement to site water use by applying the 3R approach (Reduce, Reuse and Recycle)

In our **sites facing water stress** we will also:

- Assess opportunities and implement projects to reduce our water withdrawal
- Apply water circularity principles in and around our production sites
- Implement new technologies to reuse and recycle water in our operations

In addition we will:

- Conduct annual contextual water risk assessment using the Aqueduct Water Risk Atlas developed by the World Resource Institute, review and update the list of sites in water stress areas accordingly
- Track site water quantity and quality KPIs within our operations both for water withdrawal and water effluents

## Means

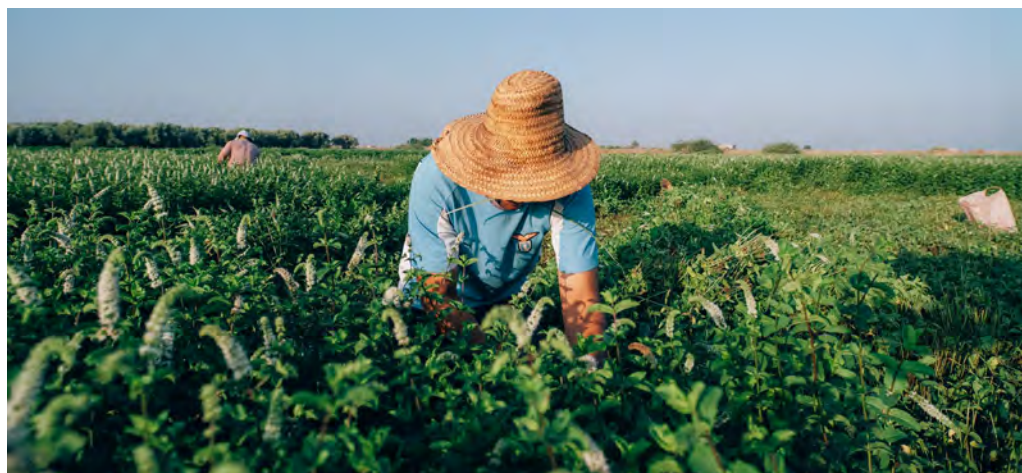
To achieve these goals **in our supply chain and in our communities**:

We will work in partnership with experts and communities in our priority natural supply chains to improve and protect water quantity and quality by:

- Identifying priority natural **supply chains**, exposed to water risks. Priority natural supply chains are defined by our Responsible Sourcing programme, **Sourcing4Good**.

For the identified priority natural supply chains:

- Identifying shared water challenges and local stakeholder priorities in the watershed
- Exploring water stewardship activity opportunities, including nature-based solutions and potential project partners; and
- Developing the activity implementation roadmap to improve and protect water quantity and quality within the priority natural supply chains by 2030



We will improve access to water, sanitation and hygiene to positively impact the lives of **communities** where we operate and source by:

- Ensuring adequate access to safe drinking water, sanitation and hygiene for all employees in locations under company control via our Responsible Care EHS Policy, we implement our goal of ensuring all our manufacturing facilities provide adequate WASH services, including all those facilities acquired in recent years
- Engaging with suppliers regarding their employees' access to water, sanitation and hygiene via our Responsible Sourcing programme, Sourcing4Good
- Engaging with communities around company operations to identify those without safe and adequate access to water, sanitation and hygiene
- Establishing local partnerships to provide access to safe and adequate water, sanitation and hygiene by 2030, including long-term maintenance

**In addition, we will:**

- Conduct contextual water risk assessment using the Aqueduct Water Risk Atlas developed by the World Resource Institute
- Promote regenerative agricultural practices and better use of irrigation
- Include water aspects in our sourcing criteria
- Engage with suppliers to reduce our water impacts through collaboration
- Engage our suppliers around water stewardship through our Responsible Sourcing programme, Sourcing4Good, and promote the use of CDP Supply chain programme to share water stewardship data and monitor suppliers' performances

## Reporting and transparency

Our annual integrated reporting suite details our progress towards our goals and commitments, in compliance with the GRI standard.

We report annually to the CDP Water Security questionnaire and strive for continuous improvement as part of our water resources management and stewardship commitments.

Further information is available in our reporting suite on <https://integratedreport.givaudan.com>

