always
inspiring more ...

symrise

Responsibility is in our nature

Corporate Report 2023
Sharing Values

KEY FIGURES OF THE GROUP		2019[1]	2020	2021[2]	2022[3]	2023
Business						
Sales	€ million	3,408	3,520	3,826	4,618	4,730
EBITDA	€ million	701	742	814	922	903[5]
EBITDA margin	in %	20.6	21.1	21.3	20.0	19.1[5]
EBIT	€ million	472	488	559	630	611[5]
EBIT margin	in %	13.8	13.8	14.6	13.6	12.9[5]
Net income	€ million	296	307	375	406	340
Balance sheet total (as of December 31)	€ million	5,953	5,940	6,673	7,783	7,846
Capital ratio (as of December 31)	in %	41.3	39.8	48.7	46.4	47.0
Investments (without M&A)	€ million	182	159	174	270	270
Net debt (incl. pension provisions and similar obligations (as of December 31))	€ million	2,222	2,029	1,964	2,692	2,666
Research and development expenses	€ million	213	212	221	254	266
Operating cash flow	€ million	547	636	522	360	720
Capital Market						
Shares issued as of balance sheet date	millions	135.4	135.4	139.8	139.8	139.8
Share price at end of fiscal year (Xetra® closing price)	in €	93.80	108.40	130.30	101.70	99.64
Market capitalization at end of fiscal year	€ million	12,703	14,680	18,212	14,208	13,927
Earnings per share	in €	2.20	2.27	2.74	2.91	2.44
Dividend per share	in €	0.95	0.97	1.02	1.05	1.10[4]

1 Figures normalized for transaction and integration costs as well as one-off valuation effects related to business combinations and restated due to finalization of purchase price allocation for ADF/IDF
2 Figures adjusted for the final purchase price allocation for Giraffe Foods
3 Excluding impairment of the associated company Swedencare
4 Proposal
5 Adjusted for one-time effects

OUR FIVE GOAL DIMENSIONS		2021	2022	2023	Goal 2025
Business					
Organic sales growth	in %	9.6	11.4	7.9	5.0–7.0 (CAGR)[7]
EBITDA margin[1]	in %	21.3	20.0	19.1	20.0–23.0
Footprint (environment)					
Improvement in eco-efficiency of greenhouse gas emissions (Scope 1+2)[2]	in %	11.3	10.4	4.4	6.6 p. a.
Reduction in absolute greenhouse gas emissions (Scope 3)	in %	4.0	6.6	2.4	3.0 p. a.
Improvement in eco-efficiency of chemical oxygen demand in wastewater[2]	in %	34.8	11.2	10.7	4.0 p. a.
Improvement in eco-efficiency of hazardous waste[2]	in %	2.2	3.8	–6.3	4.0 p. a.
Water use[3]	in %	7.2	–4.3	–30.9	–3.0 p. a.
Innovation					
Sales with new product developments[4]	in %	16.7	15.1	15.0	> 15.0
Sourcing					
Suppliers rated according to sustainability criteria	in %	73[5]	87[5]	100[8]	100
Sustainable sourcing of strategic biological raw materials	in %	84	88	95	100
Care (employees)					
Women in the first management level	in %	20.0	16.0	13.5	30.0
Women in the second management level	in %	38.0	37.0	37.9	45.0
Accident frequency	MAQ	3.8[6]	2.8[6]	2.3	< 1.5

1 2022 excluding impairment of the associated company Swedencare; 2023 adjusted for one-time effects
2 All figures relative to the value added
3 At production sites in regions with water stress (= Egypt, India, Mexico, Spain, Chile)
4 Relative to market launch in the past three years
5 Based on 80 % (until 2021) or 90 % (from 2022) of the procurement volume
6 MAQ = work accidents (>1 lost day) x 1 million/working hours; industry-leading occupational safety as of 2025
7 CAGR: compound annual growth rate
8 Based on the German Supply Chain Due Diligence Act (LkSG), all suppliers were subjected to a risk assessment

Responsibility is in our nature

Symrise is successful because we have looked for years at not only what we produce, but also how we produce. We assumed *responsibility* at a very early stage. For the climate and the environment, for our suppliers and employees, and for good corporate governance.

We play an active role because we know that we are just one link in a long value chain that begins with *nature* and does not stop with consumers by any means. We can remain in business only if we keep the well-being of all in mind.

About *Symrise*

We offer sustainable solutions for healthy diets for people and animals as well as innovative body-care products. We always keep the well-being of people in mind as we work and carefully monitor the special wishes and needs of consumers. We enter new business fields as part of this process and integrate our traditional strengths in all aspects of fragrance and aroma into the trends of today and tomorrow. Our integrated corporate strategy lays the groundwork for long-term value creation – it is the way that we have been profitably and successfully growing for years.

Symrise Reporting 2023

CORPORATE REPORT

About our company –
facts, reports, insights

FINANCIAL REPORT

Group Management Report –
Consolidated Financial Statements (IFRS) –
Corporate Governance

SEPARATE FINANCIAL STATEMENTS

Management Report and Annual Financial Statements of Symrise AG according to HGB (German Commercial Code) standards

GRI SUSTAINABILITY RECORD (PDF)

Sustainability reporting includ-
ing separate nonfinancial report in
accordance with Section 289b of the
German Commercial Code (HGB)

REMUNERATION REPORT

for the 2023 fiscal year
in accordance with
Section 162 of the German Stock
Corporation Act (AktG)

CORPORATE REPORT AND SHORTENED FINANCIAL REPORT

Online at:
symrise.com/corporatereport/2023/index.html

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Less CO_2 with the same effect

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Bring on
the future

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From service provider to strategic
business partner

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Dear readers, and friends of Symrise,

Dr. Heinz-Jürgen Bertram,
CEO

Dr. Stephanie Coßmann,
President Human Resources & Legal

Taking responsibility is becoming ever more important, especially in times of crisis. In our private lives, this means taking care of our family and friends, and increasingly also looking after ourselves and achieving a healthy work-life balance. In a professional context, we are responsible for our work but also for the way we treat the people we work with. Companies have a responsibility too – toward their stakeholders but also toward the world around them. This is particularly true for Symrise: We benefit from the environment and from biodiversity since most of our products are of natural origin. This means that acting sustainably is the way to continue our commercial success – another responsibility.

This responsible approach is serving us well, and we achieved another good result in the past fiscal year. Despite the geopolitical upheaval impacting our supply chains, and despite high inflation and exchange rate effects that more than halved our organic growth, we increased our sales by 7.9 %. This was the 18th successive year of growth. We again outperformed our 5 % to 7 % target for sales growth, putting us in an industry-leading position.

All segments played their part in this success. Sales in the Taste, Nutrition & Health segment were up by 9.3 % in organic terms. In the Scent & Care segment, the figure was 5.6 %. High growth was also seen for Food & Beverage, for example. Pet Food sales, too, were up sharply, posting double-digit growth in percentage terms. In the Scent & Care segment, the dynamic trend continued particularly in Fine Fragrances, Cosmetic Ingredients, Micro Protection and Sun Protection.

This ongoing positive development was thanks to our three-pillar strategy: growth, efficiency and portfolio. Building on this strategy, we have been the first in the industry to diversify our business model in recent years, making us less vulnerable to crises and economic fluctuations. Where it makes sense, we have added to our core business areas of flavor and fragrances. In 2008, around 10 % of our sales came from products outside our traditional fields. Today, it is already more than 30 %. In 2028, we want these products to account for half of our sales, and we have also defined new medium-term targets for that same year. We intend to generate product sales of

Olaf Klinger,
CFO

Dr. Jörn Andreas,
President Scent & Care

Dr. Jean-Yves Parisot,
President Taste, Nutrition & Health

€ 7.5 to 8 billion, while at the same time maintaining our margin. Our broad regional presence, and a customer base ranging from small regional companies to global corporations, will help us achieve this.

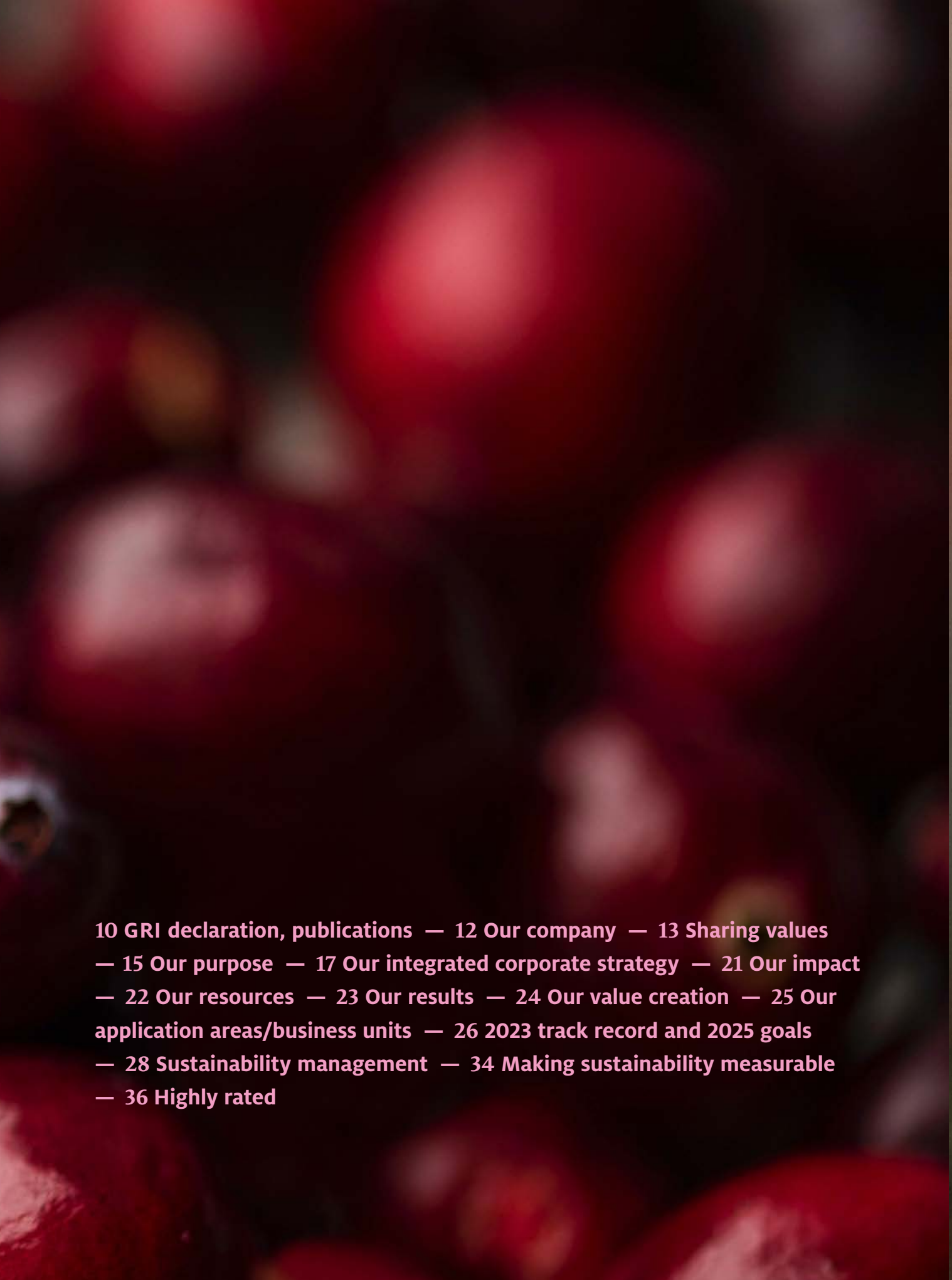
Our commitment to greater sustainability is also bearing fruit. We are on course to achieve the target of net zero emissions (Scope 1+2) in 2030. In this way, we are actively supporting the principles of responsible management in the United Nations Global Compact. Our commitment is also reflected in the many awards we have received for our sustainability efforts.

Together with our approximately 13,000 employees, we are excited about the year ahead, which is a very special one for our company. Exactly a century and a half ago, in 1874, Wilhelm Haarmann and Ferdinand Tiemann made a discovery. Working in Holzminden, they developed a process for synthesizing vanillin using the sap of conifer wood. Haarmann went on to establish the company Haarmann & Reimer, which in 2003 merged with Dragoco, another long-standing Holzminden business, to create Symrise. The founders embodied the qualities we want to continue: They took responsibility – for themselves, their employees and all other stakeholders. We, the members of the Executive Board team, feel deeply honor-bound to this tradition. This commitment will not waver one bit under the board leadership of Jean-Yves Parisot, who will succeed Heinz-Jürgen Bertram as CEO. Building on our strong foundation and inspired by a culture that has evolved during more than 150 successful years in business, we will continue to shape our industry and sustainably and successfully operate our company. You can read about how we have put this ambition into practice over the past year in our Corporate Report 2023.

The Executive Board of Symrise AG

01

Our company



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NEW PARTNERSHIPS IN 2023

The following new initiatives, commitments and collaborative alliances were joined and signed:

- Renewable Carbon Initiative
- Low Carbon Transition Project
- ProSpecieRara

TRANSITION OF THE WORDING FROM "CLIMATE POSITIVE" TO "NET ZERO"

The term "climate positive" is no longer appropriate in the current context of technical discussions, regulatory developments and other standards (German Climate Protection Act, ISO 14068, SBTi, legal definitions relating to the Paris Climate Agreement, EU Green Claims Directive, EU CSRD). The aforementioned laws and standards use the terms "net zero" or "greenhouse gas neutrality" (GHG neutrality).

In order to ensure the highest possible degree of congruence with the terms used in the regulations, the term "climate positive" will be replaced by the term "net zero" in Symrise's future external communications. However, this will have no impact on the global implementation of Symrise AG's integrated climate strategy and, in particular, the planned activities to reduce greenhouse gas emissions.

According to the above-mentioned regulatory developments and other common standards, the term "climate positive" implies a net negative GHG balance, taking into account all of the company's activities.

The term "net zero" refers to the net emissions of an organization, which are calculated by subtracting the greenhouse gas reductions or removals from the atmosphere from the greenhouse gas emissions in the GHG balance. Furthermore, this term only includes greenhouse gases that are defined as such in the UN framework. It is also the basis for important initiatives such as the Science Based Targets initiative and global industry standards such as ISO.

According to the current state of discussion, "positivity" cannot be achieved, or can only be achieved at high cost. The desired state is a balanced greenhouse gas balance of remaining (residual) emissions and offsetting or other compensation measures, which can be described as "net zero."

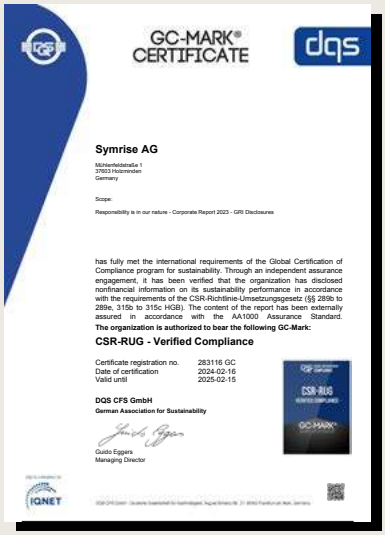
In our sustainability reporting, we comply with the 2021 GRI Standards version of the Global Reporting Initiative (GRI) guidelines, including all updates from previous years.

As an active member of the Global Compact, we adhere to its universal principles for responsible corporate management as well as to the Sustainable Development Goals (SDGs) of the United Nations. We actively contribute to achieving them along our entire value chain, from the generation of raw materials and product development to our customer relationships.

We act sustainably throughout these stages of the value creation process and with regard to our material topics. This chapter focuses on the four topics for which we bear particular responsibility and on which we have significant influence. Sustainable partnerships and dialogue with our employees and stakeholders are our main starting point and our motivation. With this in mind, the following pages present the perspectives of several of our internal dialogue partners on the topics identified by means of a materiality analysis and the biggest challenges associated with them.

We have integrated all quantitative and qualitative transparency information, our strategic approach and the management concepts of our material topics into our Sustainability Record in accordance with the GRI and thus meet the requirements of the CSR Directive Implementation Law (CSR-RUG) pursuant to Section 289b (3) of the German Commercial Code (HGB). All information has been externally audited in accordance with the AA1000 Assurance Standard.

Publications on sustainability in 2023



GC-MARK® CERTIFICATE

dqs

Symrise AG

Mühlenfeldstraße 1
37603 Holzminden
Germany

Scope:

Responsibility is in our nature - Corporate Report 2023 - GRI Disclosures

has fully met the international requirements of the Global Certification of Compliance program for sustainability. Through an independent assurance engagement, it has been verified that the organization has disclosed nonfinancial information on its sustainability performance in accordance with the requirements of the CSR-Richtlinie-Umsetzungsgesetz (§§ 289b to 289e, 315b to 315c HGB). The content of the report has been externally assured in accordance with the AA1000 Assurance Standard.

The organization is authorized to bear the following GC-Mark:

CSR-RUG - Verified Compliance

Certificate registration no.	283116 GC
Date of certification	2024-02-16
Valid until	2025-02-15

DQS CFS GmbH
German Association for Sustainability

Guido Eggers
Managing Director

IQNET

GC-MARK® CERTIFICATE

dqs

Symrise AG

Mühlenfeldstraße 1
37603 Holzminden
Germany

Scope:

Responsibility is in our nature - Corporate Report 2023 - GRI Disclosures

has fully met the international requirements of the Global Certification of Compliance program for sustainability. Through an independent assurance engagement, it has been verified that the organization has disclosed nonfinancial information on its sustainability performance in accordance with the GRI Standards. The content and principles of the report have been externally assured in accordance with the AA1000 Assurance Standard.

The organization is authorized to bear the following GC-Mark:

Trusted GRI Report

Certificate registration no.	283116 GC
Date of certification	2024-02-16
Valid until	2025-02-15

DQS CFS GmbH
German Association for Sustainability

Guido Eggers
Managing Director

IQNET

Focus Corporate Report

- Integrated corporate strategy
- Central nonfinancial management key figures
- An overview of sustainability management
- Focus on key topics and Sustainable Development Goals (SDGs)
- Sustainability rankings and ratings

Focus GRI Sustainability Record

- All key figures and information are in accordance with the GRI standards
- Nonfinancial report pursuant to Section 289b (3) of the German Commercial Code (HGB)
- Progress report for the Global Compact
- SFDR Index with Principal Adverse Impact indicators
- TCFD Index with references in the CDP questionnaire
- SASB Index on reporting requirements covered
- Explanation of the EU taxonomy

Available at:
www.symrise.com/corporatereport/2023/company/sustainability-record/index.html

The complete Symrise CDP Questionnaire 2023 is also available on our website.
All Symrise policies can also be downloaded there.

www.symrise.com/sustainability/reports-policies-standards-audits/#our-cdp-reporting

Our *company*

More than 12,000 employees worldwide are committed to making Symrise a unique company. They develop, produce and distribute a broad range of products that create exciting flavor and fragrance experiences, improve the properties of foods and help promote health and well-being – at more than 100 locations.

Symrise consistently caters to the needs and preferences of its 6,000 customers who go on to supply products to consumers. To this end, the company relies on its innovative strength and creativity, as well as on sustainable and successful business practices. We are also systematically expanding into new markets, enabling us to continue our above-average, profitable growth.

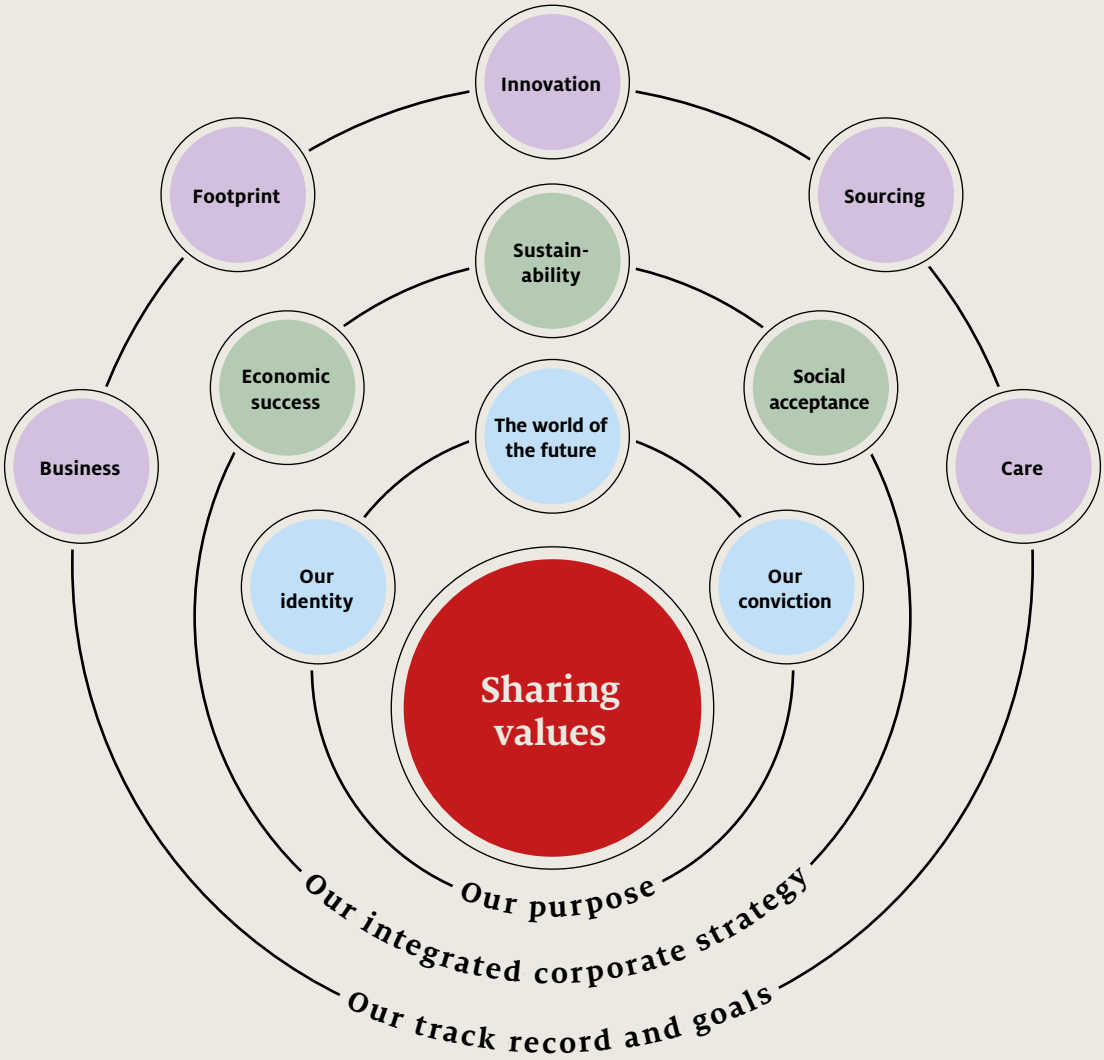
Symrise's portfolio includes fragrances, flavorings and food ingredients, base and active ingredients for cosmetics, as well as functional ingredients and product solutions that enhance the sensory properties and nutrition of various products. With a current market share of approximately 12 %, we have grown into a leading supplier in the global flavoring, fragrance and nutrition market. Our products are typically key functional ingredients in the end products of our customers, which include perfume, cosmetics and food manufacturers, the pharmaceutical industry and producers of supplements, pet food and baby food. The approximately 35,000 products we manufacture are largely based on natural raw materials such as vanilla, citrus fruits, onions, fish, meat, blossoms and other plant materials.

Our company's origins go back to the year 1874. Since our initial public offering in 2006, we have grown faster than the market – and largely organically. To achieve this, we have made targeted investments in capacity expansions, in research and development centers, in our distribution network and logistics and in efficient energy supply. We also acquire attractive companies that bring additional expertise into the group and give us access to new market and customer segments. Moreover, we enter into strategic partnerships that enable us to develop innovative products and take them all the way to market maturity.

The Symrise group's operating business is divided into the two segments Taste, Nutrition & Health and Scent & Care. The divisions within these segments are organized into business units and regions. The group's Corporate Center is located in Holzminden, Germany, and is home to key functions such as corporate governance and control, communications and administration. Symrise has regional headquarters in France (Rennes), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore.

Sharing *values*

Symrise strives for commercial success while actively assuming responsibility for the environment and climate as well as for our employees and society as a whole. Sustainability and long-term value creation that benefits all of the company's stakeholders are integral components of our business model. As a foundation for our strong corporate culture and our common goals, we have formulated a set of values and our purpose.



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Our values

Creativity: We strive for innovation to satisfy our customers and breathe life into our claim *always inspiring more ...*

Excellence: We offer outstanding performance for the benefit of our customers, consumers and the markets.

Sustainability: We honor the responsibility we all have for the world in which we live.

Engagement: We champion and challenge our employees, consider them and their diversity to be the key to our success and value their willingness to take action on their own initiative.

Integrity: We believe trust and honesty are the basis for all collaboration – whether we're working with fellow employees or with all of our stakeholders.

Added value: We offer clever added value and integrated services for our customers, attractive and healthy product solutions for consumers and sustainable growth for Symrise.

We develop sustainable, safe and tailored products that ensure quality of life and provide beauty and well-being.

We are aware of our responsibility for a future-oriented world – and we undertake this task with entrepreneurial spirit, innovative power and optimism.

Symrise – *always inspiring more*

Our *purpose*

Our identity
Who we are

Products that appeal to the senses. Ingredients that are healthy and tasty for the nutrition of people and animals. Perfume compositions and cosmetics solutions that offer added value with innovative and active ingredients. We look to the future, take heed of trends and pay attention to what our customers and consumers want. We are continuously expanding our portfolio and collecting knowledge. We secure our economic success by developing solutions that are sustainable in the long term – while keeping our sights on the environment.

What we are proud of
Of our international, highly diverse team, which is on all continents and in all markets. Every team member plays an active role through its entrepreneurial spirit and visionary ideas. Of the 10,000 raw materials produced around the world through our close cooperation with manufacturers and – where possible and sensible – integrated backward into our value chain. Of our processes that are both scientifically and economically excellent. Of our 35,000 innovative products that offer renowned brands an unmistakable character and added value. And of course we are proud of our commitment to more climate protection, biodiversity and social equality. Because for us, acting sustainably is not only a duty but an aspiration to operate successfully.

The world of the future
That moves us all

People want to meet their basic needs in a safe and reliable way: they need to eat and drink, want to look after themselves and enjoy their lives. But we only have limited resources. Furthermore, the economy is global – and still it is marked by many regional and even local features in many respects. This is also due in great part to digitalization, which makes many aspects clearer and more individual and ensures greater speed – to which companies must adjust their processes. Last but not least, the preferences of consumers are also changing rapidly. There has not been a “one-size-fits-all” solution for quite some time now. People demand products that have the smallest possible impact on the environment and simultaneously have a positive effect on all areas of life.

Our commitment
How we think and act

We must work as a team along the entire value chain. That applies to us at Symrise, where we cooperate in a cross-business manner, work together to unlock potential and produce sustainably. And we do not differentiate when it comes to our partners. We work together with our suppliers and partners on equal footing and based on trust in order to reach our common goals. In doing so, we keep our focus on people – the consumers. They tell us what they want and we deliver the best solutions. And we always act guided by the core of our business model: We want to sustainably ensure the protection of biological diversity. At the same time, we observe our social responsibility toward people and animals. Because only then can we continue to be successful.

Our integrated *corporate strategy*

Sustainability is an integral part of Symrise's corporate strategy. We must act in a commercially successful, sustainable and socially responsible manner in order to continuously increase the company's value and minimize risks. We bolster the future of our company by taking this approach.

As we previously announced, we plan to increase our sales to the level of between € 5.5 billion and € 6 billion by 2025. We have set a new long-term target for sales as well: We plan to increase sales to the level of € 7.5 billion to € 8 billion by 2028.

To achieve this goal for the long term, we must simultaneously keep a close eye on the climate, the environment and use of resources. Faced with a world population that crossed the 8 billion barrier in 2022, we can no longer do business the way that we used to. One solution is to separate our commercial activities from the use of finite resources. This is a really important task for Symrise, because our business model is based on the diversity of nature. We manufacture more than 35,000 products that we make from around 10,000 – mostly natural – raw materials such as vanilla, citrus products and flower and plant materials. Nature is a source of inspiration and innovation for us. This is why we have worked from the beginning to protect biodiversity and the environment by applying a responsible sourcing strategy. It covers all steps in the supply chain and includes in particular the observance of human rights along with environmental issues.

We are also increasing our sustainability performance along the entire value chain. As part of this effort, we have been applying the principles of a circular economy for years and have integrated them into more and more processes. This approach enables us to eliminate waste and environmental pollution, circulate nonrenewable resources in cycles, sustainably obtain renewable resources and regenerate nature all at the same time.

One milestone in the sustainability concept we developed in 2020 is the goal of achieving greenhouse gas neutrality by 2030. From this point forward, the business activities of Symrise should help prevent or sequester more greenhouse gas emissions from the atmosphere than we produce in our operations.

Four pillars for greater sustainability

One key driver behind our integrated corporate strategy is the United Nations' 17 Sustainable Development Goals. We have formulated four pillars that define our commitment to sustainability:

Footprint:
We will minimize our environmental footprint

Innovation:
We will maximize the environmental added value of our products

Sourcing:
We will maximize sustainability in our supply chain

Care:
We will create lasting value for all stakeholders

These sustainability considerations flow into the decisions we make on all levels. They are also a key factor that is used to set remuneration paid to members of our Executive Board. Our strategy was endorsed in 2023 by a regular materiality analysis conducted during the year, interviews with experts, an online survey of employees and in-depth discussions with management. It turned out that the material topics have not changed significantly. Please see the Sustainability Record 2023 (GRI) for additional information on this materiality analysis.

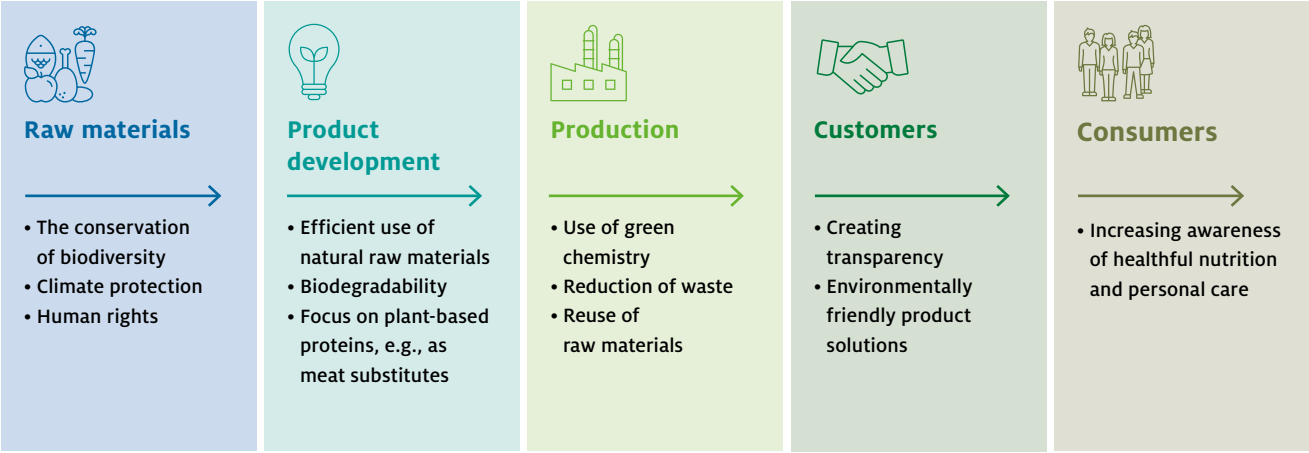
We have to be successful in business to hit our sustainability targets. We focus on three pillars to do so: growth, efficiency and portfolio.

Growth

We plan to expand our market share by increasing sales on an above-average and organic basis by 5 % to 7 % (CAGR). To do so, we began to work early and intensely in rapidly growing emerging countries. We have been represented in Brazil since 1956, in China since 1982 and in India since 1994. We are also working to remain the innovation leader in our core areas of expertise, provide our broad line of products to our customers even more systematically and strengthen collaboration in the process. To underpin our growth strategy, we will invest about € 600 million in property, plants and equipment as well as in intangible fixed assets (excluding acquisitions) by 2025. These funds will flow into new facilities in the United States, Mexico, China, Spain and France as well as into expanded production facilities in Germany and Mexico, among other areas.

THE INTEGRATED CORPORATE STRATEGY OF SYMRISE

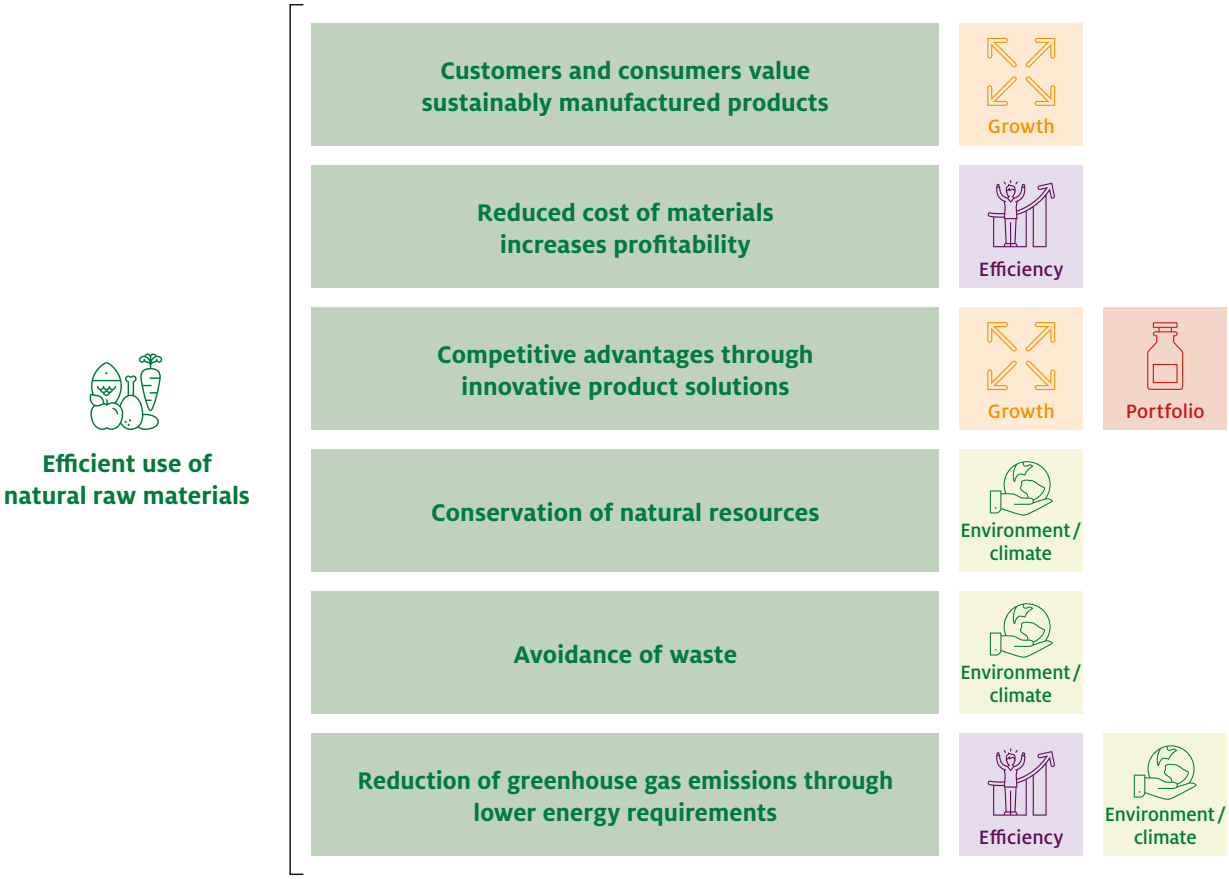
Sustainability along the value chain



Our activities along the value chain are connected to impacts and particular areas of influence on specific global Sustainable Development Goals (SDGs). Our corporate strategy is geared toward the SDGs especially relevant for Symrise (SDG 8, 13, 14, 15, 17). For further information on our contribution to the SDGs, see our corporate website.

A SETSCREW – MULTIDIMENSIONAL EFFECT

One of many examples



Efficiency

We are increasing our efficiency in order to continuously be one of the most profitable companies in our industry. As part of this effort, we will improve internal processes in particular by bundling procurement Group-wide, optimizing our warehousing operation and receivables management and increasingly using artificial intelligence (AI) in research and development. We are also optimizing our portfolio of raw materials by reducing the number of them that we use, improving the yield of strategic raw materials and expanding their backward integration. This work will also enable us to bolster our traceable, reliable and continuously high-quality supply operation. Backward integration will also enable us to perform long-term, socially responsible work in areas where such crops as vanilla, citrus fruit and patchouli are grown. We also increase our contribution to sustainability when we use natural raw materials more efficiently. This has a positive impact on our profitability and the environmental impact of our activities.

600 € million

will be invested in property, plants and equipment by 2025.

Portfolio

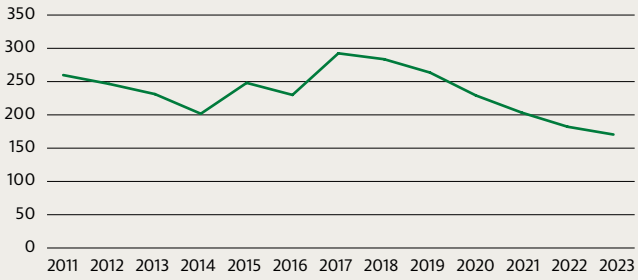
The third pillar of our integrated corporate strategy involves our portfolio, something that we continuously optimize. In this process, we analyze the needs and wishes of our customers and consumers around the world, search for products that we can use to achieve above-average margins thanks to our innovativeness and look for products that offer new growth potential for us. To achieve these goals, we became the first company in our industry years ago to venture into related business fields. One example: While the traditional flavor and fragrance markets are growing very solidly at an average of 3 % to 4 % per year, the pet food market, for example, is growing far more significantly. Today, we generate more than 30 % of our sales in these additional application areas. We aim to increase this proportion to 50 % over the next few years – for the benefit of growth and profitability. Our acquisitions are contributing to this growth as well.

Our integrated corporate strategy helps us grow dynamically, generate a high level of profitability and continuously improve our sustainability performance. This type of holistic thinking and acting is part of Symrise's DNA. Chemists Wilhelm Haarmann and Ferdinand Tiemann from Holzminden discovered how to synthesize vanilla from the sap of conifers 150 years ago. Soon after, they helped to build the aroma and fragrance industry – worldwide. The Haarmann & Reimer company and later Dragoco, which became part of Symrise in 2003, stood for innovation, creativity and sustainable use of raw materials in many areas for decades. Symrise continues to travel down this path by providing our customers with a comprehensive value proposition, conserving resources and achieving long-term business success: We intend to become the global market leader in the areas of food, beverages and pet food as we do so.

Corporate strategy beyond sales growth and EBITDA margin: Symrise has its sights firmly set on nonfinancial key performance indicators.

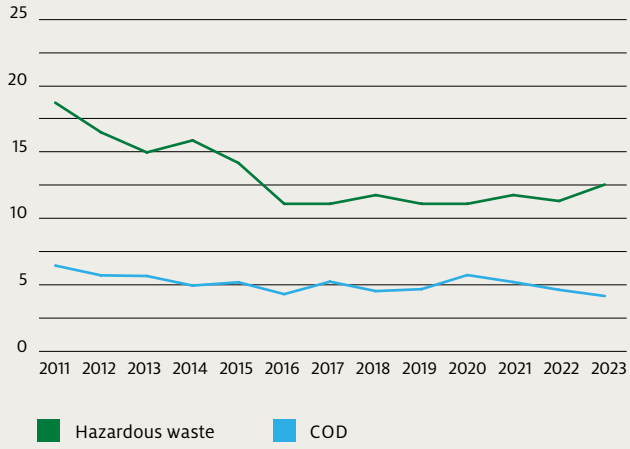
GREENHOUSE GAS EMISSIONS

CO_2 (t) / € million of added value



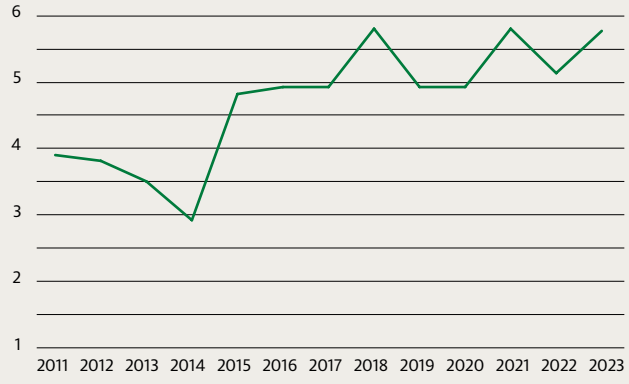
HAZARDOUS WASTE AND CHEMICAL OXYGEN DEMAND

(t) / € million of added value



WATER USE

(m^3) / € million of added value



Our *impact*

Symrise thinks today about tomorrow and the day after tomorrow. And we think and act in multidimensional terms, considering all the interactions and connections between business, environment and society. Only in this way can we develop successfully and ensure that all stakeholders benefit from our success.

Business

- Increase the value of our company for shareholders
- Provide reliable debt servicing to lenders
- Finance future-oriented investments through a strong cash flow

Footprint

- Make a contribution to climate protection
- Protect the environment and natural resources
- Preserve biodiversity
- Ensure sustainability in the supply chain

Innovation

- Develop innovations and thus drive progress
- Accelerate digital transformation

Products and product solutions

- Improve our customers' competitiveness through innovative and creative products and solutions
- Increase the share of sustainably manufactured products
- Tap into new markets, market segments and applications

Care

- Secure and create additional attractive jobs for our employees
- Invest in the education and training of young people
- Improve living conditions in producing countries
- Donate to and sponsor social projects worldwide

Our *resources*

BUSINESS

Equity:
3,686 € million

Debt capital:
4,159 € million

Investments in property, plant and equipment and intangible assets (excluding acquisitions):
270 € million

FOOTPRINT

Energy consumption:
6,816
terajoules

Water use:
9,186
thousand m^3

Suppliers reporting emission reduction measures:
70 %

INNOVATION

Expenses for research and development:
266 € million

Number of employees in research and development:
1,881

Number of research partners:
>50

SOURCING

2,154 € million
procurement volume

Approximately
10,000
natural and synthetic raw materials from more than 100 countries

100 %
Based on the German Supply Chain Due Diligence Act (LkSG), all suppliers were subjected to a sustainability risk assessment

CARE

Number of employees:
More than
12,000

Employees from more than
80
countries at Symrise

Proportion of women:
14 % first management level
38 % second management level

Our *results*

BUSINESS

Sales:
4,730 € million

EBITDA[1]:
903 € million

Net income:
340 € million

FOOTPRINT

Carbon dioxide emissions:
290,424
tons – Scope 1
0
tons – Scope 2
1,846,871
tons – Scope 3

Wastewater:
4,926
thousand m³
total wastewater volume
6,636
tons chemical
oxygen demand

Hazardous waste:
19,996
tons

INNOVATION

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2023
CLIMATE WATER

34
Number of patents
submitted

15.0 %
Share of sales from
new product developments[3]

PRODUCTS AND PRODUCT SOLUTIONS

Approximately
35,000
products for more than
6,000 customers, in more
than 150 countries

66 %
of our suppliers[2] are reporting
operational GHG emissions

65 %
of our suppliers[2] integrate the
protection of water into their
strategy and long-term business
objectives

CARE

40.2 %
of all promotions
go to women

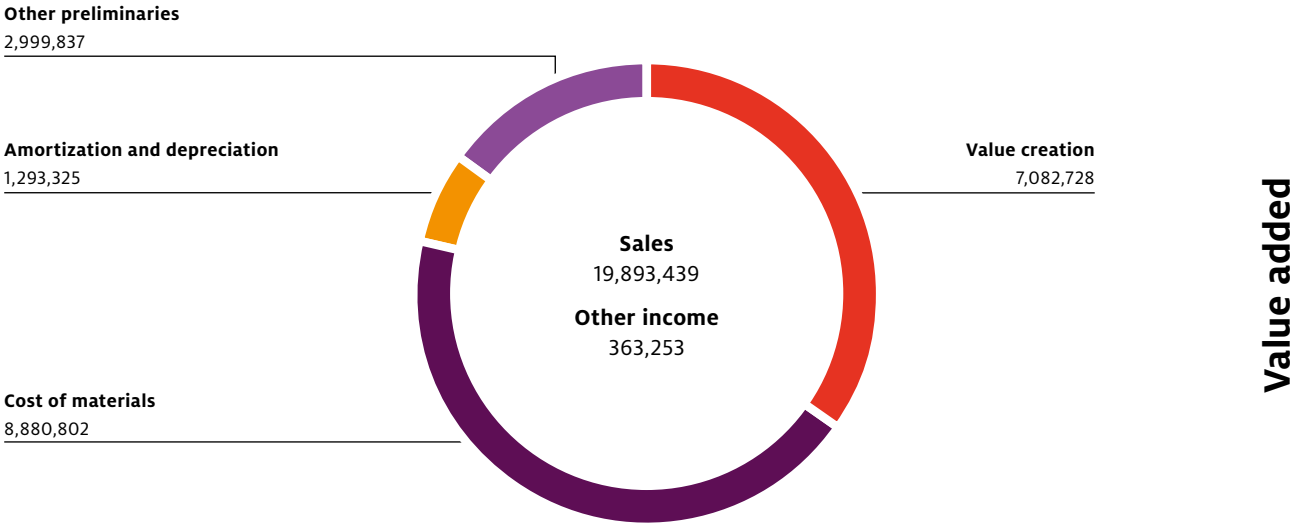
34 %
of our employees
have been with Symrise
for ten years or longer

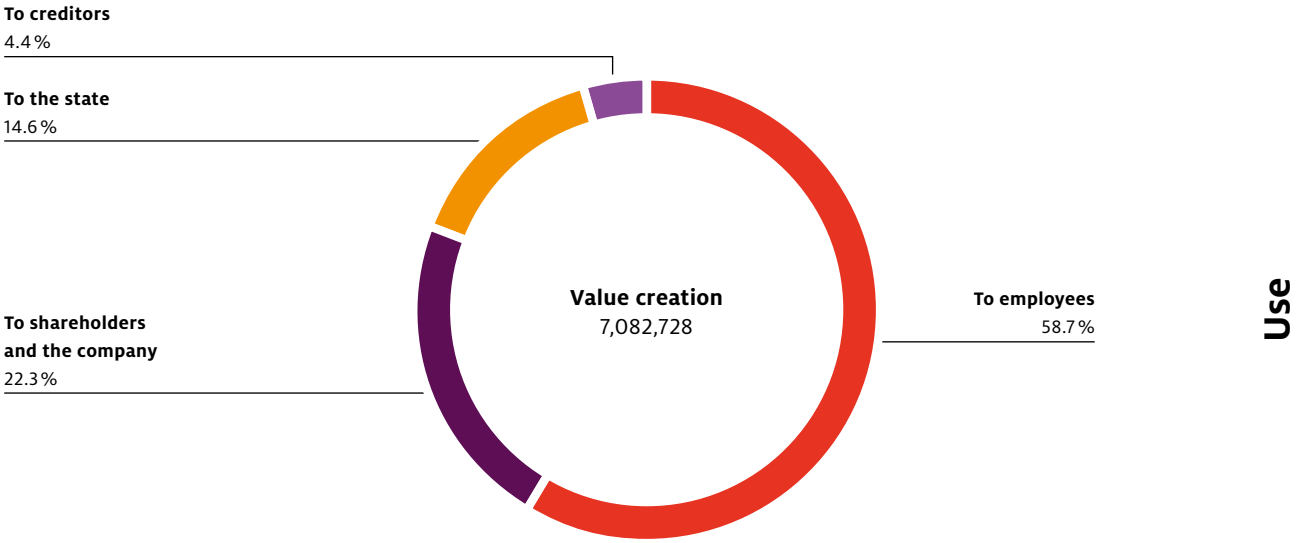
133
employees posted abroad
ensure the global transfer
of our expertise

1 Adjusted for one-time effects
2 Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program
3 Relative to market launch in the past three years

Our *value creation*

2019 – 2023 in € thousand

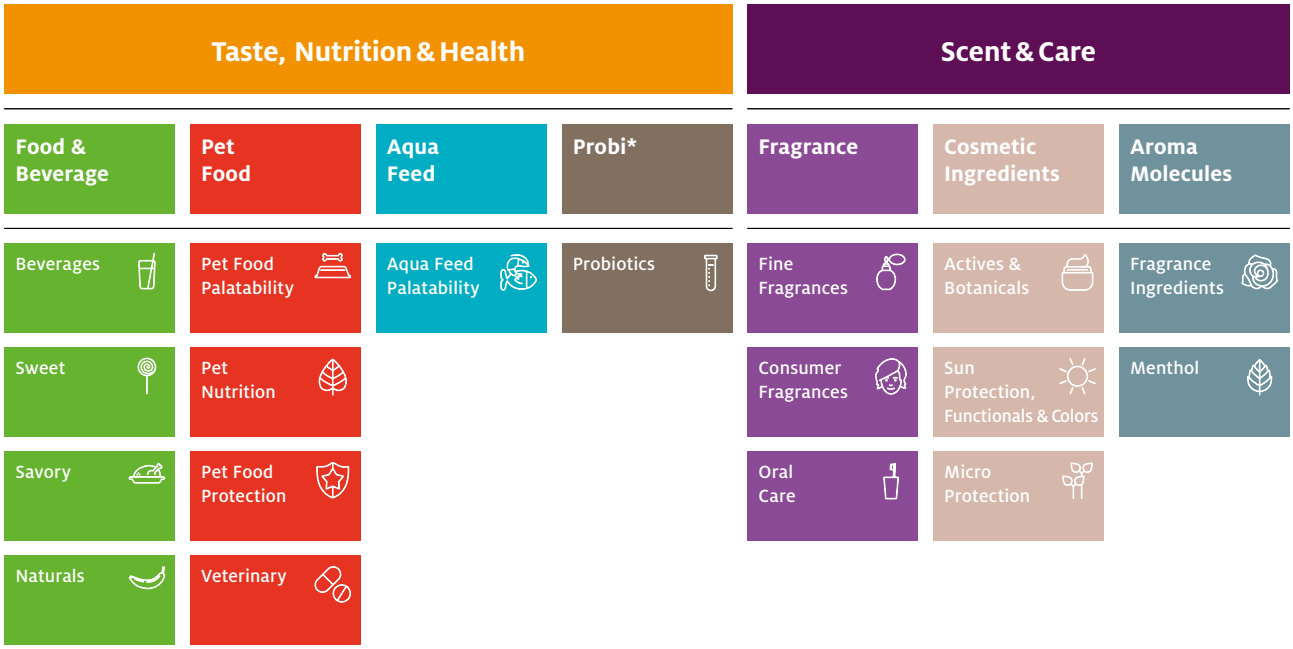




In the past five years from 2019 to 2023, we have generated cumulative sales of € 19,893,439 billion. Our value creation amounted to a total of € 7,082,728 billion, equating to a return on sales of 35.6 %. If we are to achieve our future goals, we must continue to operate sustainably and successfully. To this end, we rely on our proven and future-oriented business model, under which we use a variety of resources to create value for numerous stakeholder groups.

We are very much aware that, as a globally active group of companies, we have a responsibility to fulfill. It is crucial that we put the capital entrusted to us to profitable use, that we use the natural resources at the heart of our business efficiently while at the same time ensuring their conservation, and that we champion both the well-being of our employees and social causes. In this way, we can steadily increase our value creation while continuing to fulfill our responsibility to the environment and society.

Our *application areas*



* Majority shareholders in the Swedish company Probi AB

Taste, nutrition, health and well-being, fragrance, care and beauty: The sustainable solutions offered by Symrise, most of which are based on natural raw materials, accompany people throughout their lives.

Symrise has a broad portfolio of more than 35,000 products, serving many customers all over the world who in turn manufacture products for consumers on every continent. This breadth of activities opens up growth opportunities, stabilizes Symrise's business and gives the company a distinctive profile. The teams and divisions within our two segments – Taste, Nutrition & Health and Scent & Care – put their commitment and creativity into developing innovative concepts and customized products. These products meet consumer demand for naturalness, traceability of ingredients, new taste and fragrance experiences, sustainability and health benefits. To achieve this, Symrise offers ever more comprehensive product solutions, harnesses synergies in research through collaboration between the divisions and optimizes the use of natural ingredients in line with circular economy principles. In this way, we create tangible added value for all Symrise stakeholders.

2023 track record and 2025 goals

Our integrated corporate strategy links sustainable conduct and economic success closely with each other. In other words, we design our processes in such a way that they have the least possible impact on the environment and allow us to fulfill our social responsibility toward our employees and society.

7.9 %

organic sales growth generated by Symrise in 2023

We are responsible in our global sourcing of raw materials, and we process them sustainably and to an increasing extent using circular economy methods. This protects the natural environment and its biodiversity, which form the basis of our business. In our five target dimensions of "Business," "Footprint," "Innovation," "Sourcing" and "Care," we meet the requirements for nonfinancial corporate reporting as set out in the CSR Directive Implementation Act (see www.symrise.com/sustainability).

At the same time, we enjoy great commercial success, even in times of crisis: In 2023, despite all the challenges we faced, we once again achieved our targets. Our more than 12,000 employees around the world generated sales of € 4,730 million, an organic growth of 7.9 %. Our EBITDA margin[1] likewise reached a healthy value of 19.1 %. That makes us one of the most profitable companies in the industry, just like in previous years.

With this performance, we are laying the foundations for our long-term goals, which we have set out in our integrated corporate strategy. In 2025, we aim to achieve sales of € 5.5 billion to € 6.0 billion with annual growth of 5 % to 7 %. But we are committed to achieving our goals at all levels, including with regard to sustainability, where our aim is for the company as a whole to be net zero starting in 2030.

1 Adjusted for one-time effects

	2023 TRACK RECORD	NOTES	2025 GOALS	NOTES
BUSINESS	**7.9 %** organic sales growth	We exceeded our goals and the forecast.	5 % – 7 % CAGR	We want to grow faster than the market. This allows us to gain market shares and increase the distance between us and smaller competitors.
	19.1 % EBITDA margin[1]	The figure achieved was lower than the target of around 20 %.	20 % – 23 %	We improve our profitability by continually increasing efficiency and optimizing the product mix.
FOOTPRINT	**4.4 %** improvement in the eco-efficiency of greenhouse gas emissions (Scope 1+2)[2]	We are fully on track to reach our 2025 and 2030 goals.	We achieved our goal for 2020 of improving the eco-efficiency of greenhouse gas emissions by 33 % compared with 2010 ahead of schedule. We have now set for ourselves the 2025 goal of increasing the eco-efficiency of emissions by more than 60 % compared to 2016.[2]	We aim to be net zero by 2030, primarily by increasing energy and process efficiency at our production sites and by supporting high-quality and certified climate protection projects.
	2.4 % reduction in absolute greenhouse gas emissions (Scope 3)	We only narrowly missed our target for reducing emissions from purchased raw materials and services. We are nevertheless fully on track to reach our 2025 and 2030 goals.	We reduced Scope 3 GHG emissions in category 1 "purchased raw materials and services" by around 43 % between 2016 and 2023. We now want to reduce absolute emissions by 15 % by 2025 compared to 2020.	Through process optimization and with the help of our suppliers and customers, we want to reduce greenhouse gas emissions all along our value chain.
	10.7 % improvement in the eco-efficiency of the chemical oxygen demand in wastewater[2]	As in the two preceding years, we significantly exceeded the target of 4 %.	Improve the eco-efficiency of the chemical oxygen demand in wastewater by 4 % annually by 2025 or by a total of 60 % in relation to base year 2010.[2]	We are increasing the yield of our products by changing our processes to sustainable methods.
	– 6.3 % improvement in the eco-efficiency of hazardous waste[2]	Increased production at the largest sites and adjustments to the product portfolio in line with customer requirements have led to an increase in the share of hazardous waste.	Improve the eco-efficiency of hazardous waste by 4 % annually by 2025 or by a total of 60 % compared to base year 2010.[2]	We will use exclusively sustainable packaging materials by 2025 and recycle – wherever possible – more than 95 % of the plastic we use.
	– 30.9 % reduction in water use in regions with water stress	Water use at sites in regions with water stress[3] dropped by 30.9 % as a result of considerably redoubling efforts to reduce water consumption.	15 % reduction of water use at all production sites in arid regions (2018 – 2025).	We continually reduce our water usage by using water-saving technologies and raising awareness in our company of the importance of using less.
INNOVATION	**15.0 %** sales from new product developments[4]	We exceeded our target amount of >15 % once again.	Each year we develop new products that are consistent with sustainability criteria, and these products account for a share of sales of more than 15 % over the past three years.	Networking the highly diverse areas of expertise of Taste, Nutrition & Health and Scent & Care.
SOURCING	All suppliers were subjected to a sustainability risk assessment	Based on the German Supply Chain Due Diligence Act (LkSG), all suppliers were subjected to a sustainability risk assessment.	We respect human rights and protect the environment by implementing defined due diligence measures in our value chain.	We continuously reduce the risks to human rights and the environment and take responsibility in our value chain.
	95 % of strategic biological raw materials are procured from sustainable sources	By intensifying our backward integration, we were able to improve our performance in this area. In light of increasing sustainability challenges and new reporting requirements (CSRD), we will review the material scope of this corporate goal in 2024.	100 % sustainable sourcing of all strategic biological raw materials by 2025.	We aim for sustainability in the supply chain by continuing to strengthen our backward integration, intensifying cooperation with suppliers and initiating joint supply chain projects and programs.
CARE	**13.5 %** women in the first management level	Awareness training; increasing and promoting cultural diversity (Symrise has employees from more than 80 different countries of origin). Talent development, focus on a high proportion of women taking part; a well-established and active network of Sustainability Ambassadors worldwide.	Increase the percentage of women in the first management level to 30 % by 2025.	We believe in strong, diverse leadership and offer good advancement opportunities for women.
	38 % women in the second management level		Increase the percentage of women in the second management level to 45 % by 2025.	We promote the career development of women and provide them with freedom so they can balance career and family.
	2.3 MAQ[5] accident frequency	Thanks to our Symsafe activities, we were able to reduce the MAQ ratio.	Industry-leading occupational safety < 1.5 MAQ.	Continuous implementation of a zero-accident culture through company-wide initiatives and training. To help improve occupational safety, we launched the SymSafe project in 2021.

1 Adjusted for one-time effects
2 All figures relative to the value added
3 At production sites in regions with water stress (= Egypt, India, Mexico, Spain, Chile)
4 Relative to market launch in the past three years
5 MAQ = work accidents (>1 lost day) x 1 million/working hours

Sustainability management

We make our more than 35,000 products from about 10,000 raw materials, most of which are naturally occurring – and in doing so we work with tens of thousands of people around the world. Diversity is the foundation of our business operations – and sustainability, in all of its many facets, is an integral part of our business model, our strategy and our purpose. We have deeply integrated this mentality into the Group over the years: with committees, structures and dedicated employees.

Four pillars for greater sustainability
In recent years, Symrise has collected, analyzed and evaluated key sustainability aspects for the Group. We have bundled the aspects of sustainability that are relevant to Symrise into the four pillars of environmental protection (footprint), sustainable innovation (innovation), raw material sourcing (sourcing) and employees and society (care). We have drawn on these four pillars to formulate specific goals that we intend to accomplish by 2025 (see page 27). Each goal has a direct connection to our major issues and is based on such programs as the United Nations' 17 Sustainable Development Goals (SDGs). The aims of our pillars are closely interwoven into our business model, a strategy that is based largely on a circular economy. In turn, this tight integration enables us to form a bond between our commercial success and sustainable company management and social acceptance.

All are called on
All employees are urged to constantly reevaluate their work processes in terms of efficiency, safety and resource conservation, and to develop ways to improve them. A global network of more than 150 Sustainability Ambassadors carries out targeted initiatives on energy and waste management, climate, water and environmental protection, and occupational health and safety at the company's business locations. Managers are responsible for integrating sustainability into their teams and setting clear goals. Sustainability objectives are also a component of individual goals for all senior executives, including the members of the Executive Board. This enables us to vigorously apply our sustainability strategy in all divisions.

To complement the work performed by individual teams at all of our business locations, we have structured the Group in a way that further advances sustainability. The global and cross-business Symrise Sustainability Board is comprised of the sustainability officers for the business segments Taste, Nutrition & Health and Scent & Care; one representative each from the staff departments Human Resources, Finance / Investor Relations, Corporate Communications and Corporate Sustainability; and the Head of the Responsible Sourcing Steering Committee. The board meets several times a year and is led by the Chief Sustainability Officer (CSO). The Sustainability Board ensures that topics relevant to sustainability and issues important to key stakeholder groups along the entire value chain are taken into consideration. It sets sustainability objectives that are achieved directly in the company's individual divisions. Direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG, who receives regular reports on the progress of all sustainability activities.

Exceptional commitment
Our commitment to sustainability regularly receives recognition. Symrise has earned a top position once again on the annual sustainability ratings issued by CDP (formerly known as the Carbon Disclosure

Project). The company received two top "A" grades in the categories of climate and water and an exceptional "A –" in the forest category. The Sustainable Future Award 2023 given by the F.A.Z.-Institut and Cision Germany was also presented to Symrise for its exemplary activities as a sustainable company – and the company became the first producer in its sector to be certified as a B Corporation in Brazil. We are proud of these honors – they motivate us to become even better. The challenges are multiplying: We continue to face the negative impact of climate change and the decline in biodiversity. We must use resources responsibly. We are also still working to overcome the ramifications of the Covid-19 pandemic and Russia's war of aggression in Ukraine.

Dialogue with all stakeholders

We seek out conversations with all relevant stakeholders for the purposes of positioning our company as broadly as possible, discussing current developments and considering the expectations that various stakeholders have about sustainable company management. Examples of this dialogue include various WBCSD committees, the global representative bodies IFRA and IOFI and such initiatives as OP2B and the Development and Climate Alliance. We also conduct a particularly in-depth dialogue about sustainability with the company's shareholders, investors, voting proxies and rating agencies. Such rating agencies as MSCI, Sustainalytics and ISS ESG have a high degree of quality and a major impact for our company regarding the communication of our ESG performance to investors. In addition, internationally recognized institutions like CDP, EcoVadis or SEDEX regularly grade our sustainability performance. This is important because both our customers and our investors expect us to continuously enhance our sustainability reporting. This is the only way that we can make our business processes more transparent and better estimate the opportunities and risks of our business activity.

SYMRISE SUSTAINABILITY ORGANIZATION

Chief Executive Officer

Dr. Heinz-Jürgen Bertram, CEO

Chief Sustainability Officer

Bernhard Kott, CSO

Sustainability Board

Gaëlle Bathany, Cosmetic Ingredients Marketing & Sustainability

Ranjeeta Boscolo, Global Procurement, Sustainability Scent & Care

Dr. Stephanie Coßmann, Human Resources & Legal

Dr. Marcus Eh, Sustainability Aroma Molecules

Tobias Erfurth, Investor Relations

Dr. Helmut Frieden, Corporate Sustainability

Doris Gattermann, Corporate Sustainability

Marie Le Henaff, Sustainability Taste, Nutrition & Health

Jasper Hölzchen, Corporate Sustainability

Oliver Kemmerich, Global Procurement

Sascha Liese, Corporate Sustainability

Friedrich-Wilhelm Micus, Corporate Communications

Dr. Philippa Smith, Sustainability Scent & Care

Gabriele Vielhaber, Sustainability Taste, Nutrition & Health

More than 150 Sustainability Ambassadors worldwide

More than 12,000 employees in more than 40 countries

Goals and management of our *sustainability topics*

TOPIC	SELECTED GOALS
Climate change & adaption	Symrise will have net zero CO_2 emissions from 2030 onward.
Use of raw materials & recycling solutions	Annual reduction of **4 %** of chemical oxygen demand (COD) in wastewater as well as of our **hazardous waste** through increased eco-efficiency by 2025, or by a total of **60 %** compared to 2010.[1]
Environmental protection & biodiversity	Responsible sourcing of **all strategic biological raw materials** by 2025.
Sourcing & human rights	Increase the share of our suppliers rated according to sustainability criteria[3] to **100 %** by 2025. Responsible sourcing of all **strategic biological raw materials** by 2025.
Partnerships & communities	Establish and increase **trust, knowledge transfer** and **synergies** between Symrise companies and NGOs, suppliers, political institutions and local partners. Maintain and expand **collaboration** with local partners and communities.
Product quality & safety	Maintain a high level of **product safety management.**
Product innovation & design	Annual development of new products consistent with sustainability criteria; these products account for a share of sales of more than **15 %** over the past three years.

You can find a thorough description of our management approaches with goals and measures for all sustainability topics in our online Sustainability Record at:

www.symrise.com/corporatereport/2023/company/sustainability-record/index.html

↑ Better

→ Unchanged

↓ Worse

1 All figures relative to the value added
2 Relative to market launch in the past three years
3 Environment, Labor, Human Rights, Health & Safety, Business Integrity, Ethics, Sustainable Procurement
4 Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program

GOAL ATTAINMENT 2023	PROGRESS TO 2022	MANAGEMENT METHODS	VALUE ADDED	SDGS
Reduction in Scope 3 GHG emissions in category 1 "purchased raw materials and services" by around **43 %** between 2016 and 2023. By 2025, we want to reduce absolute emissions by **15 %** compared to 2020. **66 %** of our suppliers[4] report greenhouse gas emissions.	↑	Low Carbon Transition Plan (LCTP) Product Carbon Footprint (PCF) TCFD Commitment CDP Climate Change	Product development & manufacturing processes Customers & consumers	8, 12, 13 12, 13
The eco-efficiency of chemical oxygen demand in wastewater[1] increased by **10.7 %** in the reporting year. Increased production at the largest sites and adjustments to the product portfolio in line with customer requirements have led to an increase in the share of hazardous waste.	↑	Green chemistry approach, recovery through patented Symtrap® process	Raw materials Product development & manufacturing processes	8, 14, 15 8, 12, 13
Sustainable sourcing of **95 %** of our strategic biological raw materials in 2023.	↑	Sustainable supply chain management, raw material certifications, backward integration, CDP forest Involvement in a variety of international (industry) initiatives	Raw materials	8, 14, 15
All suppliers were subjected to a sustainability risk assessment. Sustainable sourcing of **95 %** of our strategic biological raw materials in 2023.	↑	Supplier screening, certifications and audits; (EcoVadis, SEDEX); involvement in international (industry) initiatives (SAI, FSC, CDP Supply Chain Program, Rainforest Alliance, RSPO, GIZ, Save The Children, IFFO, etc.) Internal and external audits and certification; supplier screening (Sedex/EcoVadis) and supplier audits	Raw materials Product development & manufacturing processes	8, 14, 15 8, 12, 13
Continuation of long-term project partnerships. Tailored **support for local communities** (charitable, social) in areas where Symrise sources its strategic raw materials.	→	Involvement in a variety of international industry collaborations, partnerships and pre-competitive approaches, such as AIM-PROGRESS and IFRA-IOFI Needs assessments according to site	Raw materials Product development & manufacturing processes Customers & consumers	8, 14, 15 8, 12, 13 12, 13
No significant product safety incidents in 2023.	→	Internal and external audits; safety certifications	Product development & manufacturing processes Customers & consumers	8, 12, 13 12, 13
With **15.0 %** of sales from new product developments[2], we again exceeded our target value in the reporting year. We exceeded the target of **> 15 %** once again.	→	Market and trend research, consideration of regulatory requirements, product sustainability scorecard, green chemistry approach Integrated management system, Nagoya Protocol Committee, Nagoya policy	Product development & manufacturing processes Customers & consumers	8, 12, 13 12, 13

Goals and management of our *sustainability topics*

TOPIC	SELECTED GOALS
Corporate Governance & Compliance	By 2025, we are planning for an above-average global tax rate of **25 % to 27 %.** Ensure that all Symrise sites are audited in accordance with relevant standards.
Occupational health & safety	Safe working culture and reduction in frequency of accidents to **MAQ[6] < 1.5 by 2025**. Maintaining the high level of the **safety management system** of the plants.
Use of water	**Reduction of water use[7]** by **15 %** at all production sites in arid regions by 2025.
Employee empowerment	Maintain and expand **training courses** and employee **support** at all sites.
Diversity & equal opportunity	At least **30 %** women at the first global management level directly below the Executive Board and at least **45 %** women at the second global management level by 2025. Long-term target of **20 %** women on the Executive Board. Maintain and increase site attractiveness, establish Symrise as an "employer of choice."
Animal welfare	Fulfill **animal welfare standards** in our supply chain. **100 %** of our chicken-based raw materials in Europe procured from sustainable sources by 2026.

4 Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program
5 Number of employees (FTE) incl. acquisitions and Probi, excluding temporary employees, trainees and apprentices
6 MAQ = work accidents (> 1 lost day) x 1 million/working hours
7 At production sites in regions with water stress (= Egypt, India, Mexico, Spain, Chile)

GOAL ATTAINMENT 2023	PROGRESS TO 2022	MANAGEMENT METHODS	VALUE ADDED	SDGS
In 2023, our effective group tax rate was **25.8 %.** **100 %** of Symrise sites audited in accordance with relevant standards.	↓	Further development of the Integrated Management System (IMS), external certifications, internal and external audits	Raw materials Product development & manufacturing processes Customers & consumers	8, 14, 15 8, 12, 13 12, 13
Regular **Management Safety Visits** of global managers. Thanks to our Symsafe activities the MAQ rate has been reduced: to **2.3 MAQ**[6] accident frequency. The Symsafe initiatives were maintained and reinforced in all regions and divisions.	↑	Management safety visits, ISO 45001 at selected sites with internal and external audits, certifications and inspections, safety risk management programs with internal audits, continuous safety training courses for all employees. Focus on preventive measures, KPIs and initiatives.	Product development & manufacturing processes	8, 12, 13
Water use at sites in regions with water stress[7] dropped by **30.9 %** as a result of considerably redoubling efforts to reduce water consumption. **65 %** of our suppliers[4] integrate water into their strategies and long-term business targets.	↑ ↑	Symrise water policy, annual CDP water disclosure	Raw materials Product development & manufacturing processes	8, 14, 15 8, 12, 13
Extensive options to use training and continuing education offerings via our learning platform, which is accessible worldwide.	→	Talent management, personnel development and employee recruitment, coaching & mentoring, learning management system (LMS), digital learning platform (Skillsoft)	Product development & manufacturing processes	8, 12, 13
38.2 % of the 12,435 employees[5] in 2023 were women. Due to restructuring, the share of women at the first level of management declined slightly to **13.5 %** in 2023, although the pipeline is well stocked. On the second management level, women account for **37.9 %.**	↓	Integrated Management System, talent management, employee recruitment Site activities, employee recruitment	Product development & manufacturing processes	8, 12, 13
Policy on handling animal experiments published.	↑	Animal welfare policy, commitment to international animal welfare standards with partners, supplier qualification, supplier assessments and audits, traceability	Raw materials	8, 14, 15

Making *sustainability* measurable

Through the introduction of the EU Taxonomy, the European Union has classified environmentally sustainable business activities. Beginning in 2023, companies must demonstrate how they will incorporate six environmental goals into such areas as their capital expenditures or production technologies. Because Symrise's business model is sustainably structured per se, the Group must report and audit only a small portion of its activities. The company is well prepared for this work.

The European Green Deal is designed to make the EU the world's first net zero economic region by 2050. The EU Taxonomy is an important aspect of this plan. This uniform classification system is aimed at channeling private and public investments in a way that will finance the transformation to a sustainable economy. The taxonomy is designed to answer many questions: What does sustainability mean in a commercial context – and what does it not mean? Or: How can a company's own activities be assessed to determine which investments are sustainable? Symrise has posed these questions to itself – and found answers: "The EU Taxonomy contains precise definitions and a specific roadmap that shows how the economy in Europe can become more sustainable," says Bernhard Kott, the Chief Sustainability Officer at Symrise.

The EU has defined six overarching environmental goals to structure the process:

1. Climate protection

2. Climate change adaption

3. Sustainable use and protection of water and marine resources

4. Transition to a circular economy

5. Pollution prevention and control

6. Protection and restoration of biodiversity and ecosystems

The environmental taxonomy will be followed in the future by a social taxonomy that will include objectives in such areas as education and health. Aspects of good company management are to be integrated as well. "At this point, all of our sustainability issues that we summarize under the pillars of footprint, sourcing, innovation and care will be covered by the taxonomy," Bernhard Kott says.

Taxonomy-eligible versus taxonomy-aligned

The EU Taxonomy breaks down its six environmental goals into 16 segments that comprise a total of 230 activities. To meet the requirements, companies must carry out two different tasks per activity. They initially must identify the taxonomy-eligible commercial activities that affect them. Taxonomy-eligible means that an activity has the potential to help achieve one of the six environmental goals. A company must then determine whether this activity is actually taxonomy-aligned, that is, if it is environmentally sustainable on the basis of the criteria. To be considered sustainable, they must apply three central principles:

1. Significant contribution: Companies must make a significant and measurable contribution to at least one of the environmental targets based on predefined technical criteria.

2. No damage: The principle of do no significant harm has been introduced to ensure that none of the goals has a negative impact on any of the five other objectives. For instance, climate protection measures should not have a harmful effect on biodiversity.

3. Minimum social standards: Even before the social taxonomy is adopted, companies should ensure that the taxonomy-eligible activities do not violate any minimum social standards – such as the OECD Guidelines for Multinational Enterprises or the U.N. Guiding Principles on Business and Human Rights.

Integration of the EU taxonomy and results

The policy classifies only those activities that have the potential to make the greatest contribution to the six EU environmental targets. For Symrise, this means that only 2 % of sales and 9 % of investments are taxonomy-eligible. The difference between taxonomy-eligible and taxonomy-aligned is much more important. "A small difference between the two indicates that a business or investment activity has a comparatively high degree of environmental compatibility," Bernhard Kott says. At Symrise, the difference is relatively small. In fiscal year 2023, it was about 2 % of annual sales at Symrise that were taxonomy-eligible and -aligned. Of capital expenditures (CapEx), 9 % were taxonomy-eligible and 3 % taxonomy-aligned.

The key reason for the good performance is that Symrise applies high standards. For instance, its environmental management system applies the standard ISO 14001. With SMETA, the company uses an audit standard of the Sedex organization to demonstrate its compliance with requirements regarding human rights, the environment, health, occupational health and safety and business ethics. To ensure that things remain this way, Symrise has included taxonomy-relevant requirements in the global CapEx tool. "Sustainability is an important issue in every financing activity," Bernhard Kott says. He adds that about 200 Group employees around the world have been trained in taxonomy-related tasks.

Impulse for more sustainability

For Symrise, the EU Taxonomy is a time-consuming, but profitable responsibility. "We are very transparent about our sustainability activities," Bernhard Kott says. "We have been reporting on the basis of all relevant standards for more than 10 years now. We view these standards as both a guideline and a textbook." As a result, Kott welcomes the EU Taxonomy that much more because it facilitates uniform standards. "For many years, experts have complained about the lack of clear definitions for sustainable action," Kott says. "We now have comparability. Greenwashing is more difficult – and good sustainability performance has become more visible. For this reason, we do not view the EU Taxonomy as an obligation or burden. Rather, we want to use it as a way to become more and more sustainable."

	Taxonomy-eligible share	Taxonomy-aligned share
Sales	**2 %**	**2 %**
Capital expenditure (CapEx)	**9 %**	**3 %**

Highly rated

Just like previous years, Symrise's sustainability strategy and the measures developed from it won several awards in 2023. An overview of external ratings and rankings shows where the company achieved particular success during the past fiscal year.

BSB Innovation Awards

Three awards in the cosmetics sector

Symrise won three of the highly respected European BSB Innovation Awards in 2023. All awards were given to sustainable, natural and renewable cosmetic ingredients, an area that serves as a testament to the ingenuity of Symrise. SymProt'inTM Oat, a biotechnologically produced, more environmentally friendly ingredient for hair repair, won first place in the category Natural Products/Raw Materials/Actives. SymEffectTM UV, which increases the effectiveness of organic and mineral UV filters, finished second in the category Cosmetics/Raw Materials/Functionality and Recipients. Supervisome™ EPH, a completely bio-based ingredient that produces a radiant complexion, ranked third in the category Cosmetics/Raw Materials/Actives.

Sustainable Future Award 2023

Commitment to sustainability

Dr. Heinz-Jürgen Bertram, Chief Executive Officer of Symrise, and Bernhard Kott, Head of Communications and Sustainability, were presented with the Sustainable Future Award 2023 given by the F.A.Z.-Institut and Cision Germany. The jury praised both executives' commitment to sustainability, the integration of the company's sustainability strategy into the entire value chain and the company's transparent communications style. The award is based on a multi-year analysis of media reporting that is conducted by Cision, a media analysis firm that evaluates the credibility of management communications.

ISS ESG

Among the top 10 % once again

Like the previous year, Symrise received prime status "B –" in the ESG ranking compiled by the leading international ratings agency ISS. ESG stands for "environment, social and governance." As a result, the company ranked among the top 10 % of companies in its industry once again. Approximately 10,000 companies, most of which are listed on stock exchanges, are included in the rankings.

CDP

Highest grade for Symrise

Two top "A" grades in the categories of climate and water and a good "A –" in the forest category: Symrise has earned a top position once again on the annual sustainability ratings issued by CDP (formerly known as the Carbon Disclosure Project). In 2023, the nonprofit organization evaluated a record number of 21,000 companies, a 24 % increase over the previous year. Just a few companies received top grades like Symrise, which met the high standards once again and continued the string of high CDP ratings awarded in past years.

MSCI ESG ratings

Rating raised to A A

Since 2015, the leading sustainability ratings agency MSCI has annually placed Symrise in the A category, a rating awarded to companies with above-average sustainability performance. The company has now been elevated to the A A category, a position that places it among the leaders in its industry. The provider of closely followed sustainability stock indexes ranks Symrise among the top 19 % in its industry.

Sustainalytics

Improvement of the "low" risk score

With a "low" risk score of 18.83 points, Symrise improved the ranking given by the sustainability rating agency Sustainalytics. The agency evaluates companies around the world on the basis of which risks their environmental, social and corporate governance activities pose. Symrise now ranks 21 of 576 in the chemical sector and, thus, among the top 4 % in its industry.

02

Magazine

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Responsibility

is in our nature

Increased sales and profit in a difficult business environment, a number of new sustainability initiatives and projects and new growth targets for 2028: Symrise ended the 2023 fiscal year successfully and is looking ahead with optimism. In this interview, CEO Dr. Heinz-Jürgen Bertram explains how the company was able to grow for the 18th year in succession and how he will continue to implement the long-term strategy.

GOOD CORPORATE GOVERNANCE

Dr. Bertram, the motto of this year's financial report is "Responsibility is in our nature." What does this mean to you?

Symrise has always assumed responsibility: for its employees, for the neighbors of our sites and for the people who invest in our company and buy our shares. We considered this the right thing to do because we want all our stakeholders to share in the company's success. We greatly expanded this commitment more than ten years ago, focusing on sustainability at an early stage because it is very much in our own interest. Our products depend on nature and we must commit to sustainability for this reason alone.

This is not easy when the world is facing many other challenges. How did Symrise perform in 2023?

We are in the same position as many other international companies in that we are greatly affected by geopolitical events. They have had a large impact on our supply chains and, coupled with high inflation and currency translation effects, this has more than halved our organic growth. Nevertheless, we were able to grow our sales organically by 7.9 %, thus exceeding our target of between 5 % and 7 %. This makes us the absolute leader in our industry.

You are aiming to achieve sales of between € 5.5 and 6 billion by 2025. Are you sticking to this target?

We remain committed to this target in light of our performance in the past fiscal year and we've set ourselves a new mid-term target for 2028. By then, we intend to achieve sales of € 7.5 to 8 billion, at the same time maintaining our margin.

What makes you confident you can achieve this growth?

We are continuing to pursue our strategy based on the three pillars of growth, efficiency and portfolio, and this is linked inextricably to our sustainability targets. Our growth has two drivers. On the one hand, we are growing organically, for example, in the luxury fragrance sector, where we continue to develop and manufacture exciting new products for our global customers. The same applies in the body care, fragrance products, food and beverages, pet food and oral care businesses. At the same time, we have expanded our expertise and the basis for our activities through new acquisitions. For example, we have increased our stake in US company Kobo, a manufacturer of inorganic UV filters. This acquisition is enabling us to accelerate the implementation of our growth strategy for cosmetic ingredients. We have also increased our stake in Swedencare to 42 %.

As a result of these acquisitions, the portfolio is shifting further away from the traditional flavors and fragrance businesses in which you built your career. Why are you doing this?

We were the first in our industry to start making sensible additions to our core businesses. At the same time, this was the first step in the transformation toward the use of natural, sustainable and traceable raw materials. We are moving fast in this. Whereas around 10 % of our business was outside Flavor and Fragrance in 2008, it is now more than 30 % – and our new target is for half of sales in 2028 to be achieved outside our traditional business. This diversification was and is critical to our success. It is enabling us to access entirely new markets and sales potential, putting our business on a broader footing. At the same time, though, we

are also relying on future markets, which we analyze for the opportunities they harbor for us. One way of doing this is by using the trendscope study for the food and beverages industry (see page 74). We use similar market and consumer research tools in other areas of the company.

Can you give an example of one of these future markets?

Instead of pet food, we now talk about pet care, which also includes dietary supplements and preventive healthcare solutions. This is evidenced by the investment in Swedencare, for example. The company is growing strongly and is aiming for sales of € 400 million by 2026. Its portfolio includes oral care products for dogs and food products to control weight or improve mobility. Vegan protein sources for pet food are another focus because many dog and cat owners who are vegan themselves want to feed their animals in the same way. The pet market has been growing for years – and we are growing with it.

You mentioned preventive healthcare and are aiming to increase healthcare solutions in the Taste, Nutrition & Health segment. How did you come to this decision?

For years, our portfolio has included solutions such as cranberry extracts, which have a scientifically proven benefit and a positive effect on the urinary tract. We are now consolidating our knowledge of bioactives in a unit with its own strategy, vision and leadership and a dedicated team (see page 80), which will be working intensively in this area where we see enormous growth opportunities.

What other fields of innovation are you addressing?

One trend is personalization. You just mentioned healthcare, for which we are developing probiotics, prebiotics and postbiotics. Our microbiome research is also delivering products tailored to individual users. The same applies to care and cosmetic products and to food. Thanks to our natural products, our portfolio holds the best solutions in all these fields.

This shows that Symrise products are the result of a lot of research and development. Why don't you move into easier markets and applications in order to increase sales?

We focus on sustainable products that also deliver healthy margins in the long term. That is why we only acquire companies that match our profitability level of around 20 % or that we can take to that level within three years. This cannot be achieved with mass products that have no specific underlying know-how. At the same time, innovation has always been in our blood. We are now seeking to strengthen our innovative capability with the IGNITE program that aims to accelerate research and development (see page 104). Or, specifically, we are growing our AgroScience activities to investigate the methods of farming, harvesting and processing plant-based raw materials (see page 98).

Symrise is very international with more than 100 locations worldwide. There is a trend toward deglobalization in some industries. Is that also affecting you?

The markets are still extremely volatile and the use of digital marketing channels is growing significantly. We need to prepare our organization for this and develop a certain degree of flexibility. However, we will continue to internationalize our business because we want to be close to our markets. It is the only way to really understand consumers and the specific characteristics of individual regions. At the same time, we procure our raw materials from all over the world. Some 90 % of these are natural in origin. In order to monitor these materials, ensure their availability and purchase sustainably, it's important to be present. This is something we demonstrate in many instances. For example, in Madagascar, we work very closely with the small farmers that supply us (see page 54).

» For example, we are increasing our use of artificial intelligence to optimize our fragrance compositions. «

19.1%

EBITDA margin[1] achieved by Symrise in 2023.

4,730

€ million

sales were generated by Symrise in 2023.

42%

is the stake in Swedencare.

1 Adjusted for one-time effects

You just mentioned digitalization. How is this affecting Symrise?

It's helping us to meet our customers' expectations. For example, we are increasing our use of artificial intelligence to optimize our fragrance compositions. The fundamental decisions are made by our perfumers, but we can make the upstream process more efficient by using AI to suggest certain parameters during fragrance development. However, these innovative technologies aren't only helping us in product creation. In the years ahead, we will be applying them to a growing extent in increasing efficiency – the third pillar of our corporate strategy. To this end, we will be implementing digital solutions in production and our supply chains, for example. That is how we aim to become more efficient.

Let's now turn to the company's internal development. You've made a number of changes to the Executive Board. Why?

At the start of the year, Dr. Jörn Andreas took over as head of the Scent & Care segment, which I was in charge of temporarily for a year-and-a-half. He previously headed the Cosmetic Ingredients division. His appointment makes optimal use of our management resources. The company is growing fast and there is a lot to do. This is also the case in the Human Resources and Legal department, which is now headed by Dr. Stephanie Coßmann. She was previously a member of the Board of Management and Labor Director of Lanxess AG and will be shaping our human resource strategy for the future (see interview page 92). With this strategy, we aim to attract the best talents and develop our employees.

The most important change on the Executive Board will be the transfer of CEO responsibility to Jean-Yves Parisot. What should we expect from the change?

In fact, after 21 intensive years with the company, 19 of them on the board and 15 as CEO, I am retiring at the end of March 31st. I am proud of the things we accomplished together during these 21 years: Symrise has grown. Continuously and profitably. Today, Symrise stands for ingenuity, the very highest quality and absolute reliability in our industry. This is primarily the result of the hard work done by our tremendous team. It was an honor to lead this team during these eventful years. Now is the right time to pass on the baton. Symrise will be in the very best hands under the guidance of Jean-Yves Parisot. We have known each other for years. I have the utmost respect for him both as a manager and a human being. He was one of the key architects of Symrise's far-reaching strategic focus in recent years. You can expect continuity from him. But it is also clear that my successor will set new priorities. And this is exactly as it should be.

We've talked about the present and the future, but the past will also play a big role in 2024. It was 150 years ago that chemists Wilhelm Haarmann and Ferdinand Tiemann first synthesized vanillin in Holzminden, thus laying the foundation for Symrise. How important is this for you?

Our history is very important to us because it's a story of inventiveness and responsibility. Symrise was created in 2003 from the merger of Dragoco and Haarmann & Reimer, two Holzminden-based companies with long traditions. In 1874, Wilhelm Haarmann collaborated with Ferdinand Tiemann to develop a process for manufacturing vanillin from the sap of conifer trees, matching the natural flavor of vanilla. He established the company one year later. Dragoco, on the other hand, first saw success in fragrances in 1919. Both companies were pioneers in their fields and industry leaders from the start. We are building on this heritage through our sustainable and successful research and business activities.

»

The pet market has been growing for years – and we are growing with it.

«

Sustainability *is deeply rooted*

For years now, Symrise has been setting ambitious sustainability goals and then reaching them well ahead of schedule. In 2023, the Group continued to work intensively in the four areas of footprint, sourcing, innovation and care, Chief Sustainability Officer Bernhard Kott explains in the following interview. From protecting the climate and environment to assuming social responsibility and practicing good corporate governance, Symrise is focused on its entire value chain.

SOCIETY AND CLIMATE

Mr. Kott, Symrise has been basing its activities on the United Nations' 17 Sustainable Development Goals for many years now. Which issue did the company focus on during the past fiscal year?

We broke down our sustainability activities into the four areas of footprint, sourcing, innovation and care. We transparently meet all SDGs in each of these categories. We are active in the entire range of issues because we are determined to become more sustainable. At the same time, we certainly want to remain commercially successful and be socially accepted. We focused last year on the issues of climate and supply chains.

Let's start with the climate. What are your objectives there?

We intend to be completely climate neutral by 2045, and this includes raw materials that we source from suppliers. We plan to reduce our Scope 1 and 2 greenhouse gas emissions to such a low level that we will be climate neutral in this area in 2030. By that point, we intend to lower our Scope 3 greenhouse gas emissions, the segment that encompasses the emissions that occur during raw material production and transport, by 30 % compared with 2020. These levels are linked to the targets of the Executive Board and the next management levels to create a financial incentive.

Symrise is a huge business group. How do you implement these plans?

The headquarters in Holzminden is large and diverse. 80 % of all technologies that we use in the entire Group is located here. Holzminden serves as something of a blueprint for Symrise. We have identified the processes here that emit the most CO_2. We have analyzed the current state and the future of energy-production technologies as well as price trends for electricity, gas and hydrogen. Based on this research, we drew up a concept that will enable us to hit our climate targets and calculated investments in higher-impact sustainability technologies. In the process, we will reduce our use of oil and gas, electrify our operations to the greatest degree possible and stop emitting CO_2 by 2045.

You just mentioned electrification, an area that is seen as a key weapon in the battle against climate change. What measures do you plan to introduce?

We have to create a smart system whose features are intelligently based on one another. As part of this effort, we are using solar energy to generate electricity wherever we have large areas of space. In Germany, we are talking about the halls used by our logistics operation. But, above all, we are taking this approach in countries that get tremendous amounts of sunshine. We have installed a 4,800 square-meter photovoltaic system in our plant in Granada, Spain. This system can generate up to 1.6 million kilowatt hours of electricity a year. This is enough to meet 15 % of the production operation's power needs. Producing energy where it functions is a good lever for us. But the energy we produce ourselves will not meet our total demand. This is why we continue to purchase electricity. We have been exclusively using green power around the world since 2020.

From power generation to consumption: How do you intend to further reduce this level?

For years now, we have been doing the same thing that every household does: We cut our use of electricity wherever we can, from offices to plants. In our production operation, we can take other approaches as well. In many cases, we use steam at 30 bar pressure in our processes. We use gas to do so. But, for some processes, you only need steam at three or eight bar pressure. We can produce this steam with an electrode boiler. We are taking a similar approach with heat, an area where we have switched to heat pumps just like private households. You could not have done this on an industrial scale a few years ago. But the technological progress made since then has created all sorts of new alternatives.

Symrise faces a challenge: It intends to grow and will grow. By 2028 – the new long-term goal – you want to generate sales of between € 7.5 billion and € 8 billion. How will you meet the additional energy needs that a significantly higher production level will require?

We are confident that the current measures we have taken will enable us to save tremendous amounts of energy, something that we can also scale. We also think that energy-generating technologies and the technologies that we use in our processes will become increasingly more efficient. Long range, we also have completely new forms of energy on our radar, things like developments in hydrogen technologies. We are intensively monitoring them. We are planning to have made huge strides in this area by 2040 – we will not include hydrogen in our planning until then.

How will the findings in Holzminden be used?

The pilot project has been completed. We are now rolling it out at all locations. We will conduct the same analyses and assessments everywhere and then introduce measures to address the individual situation. In step one, we will take a look at those locations where we can quickly prevent the most emissions. This will be good for the climate and for us, too, because we can lower long-term costs. With Germany and the United States, we cover 75 % of all CO_2 emissions right now. We will tackle the rest of the world at a later stage, but in a very timely fashion.

2030

Symrise wants to be net zero in terms of Scope 1 and Scope 2.

»

We have had a very good overview of the challenges we face in various countries and regions for a long time.

«

How do things look for Scope 3, the CO_2 emissions in the supply chain?

We launched the sweeping program called "Houston" last year in the Taste, Nutrition & Health segment (see page 70). In this work, we plan to analyze and assess emissions that arise on the product basis. We have to look very deeply into the value chain in this process. This also involves water consumption that we are directly recording. We are talking about scarce resources here. Starting in 2024, we have to base our reporting on the new CSRD Directive. This makes water consumption a higher priority.

The second major issue in 2023 was supply chains. What did you do in this area?

Last year, we focused closely on the natural raw materials that are essential to our company. We have had a very good overview of the challenges we face in various countries and regions for a long time. For this reason, it was not hard for us to include sourcing practices and human rights in our materiality analysis as the German Supply Chain Due Diligence Act requires.

What does that mean?

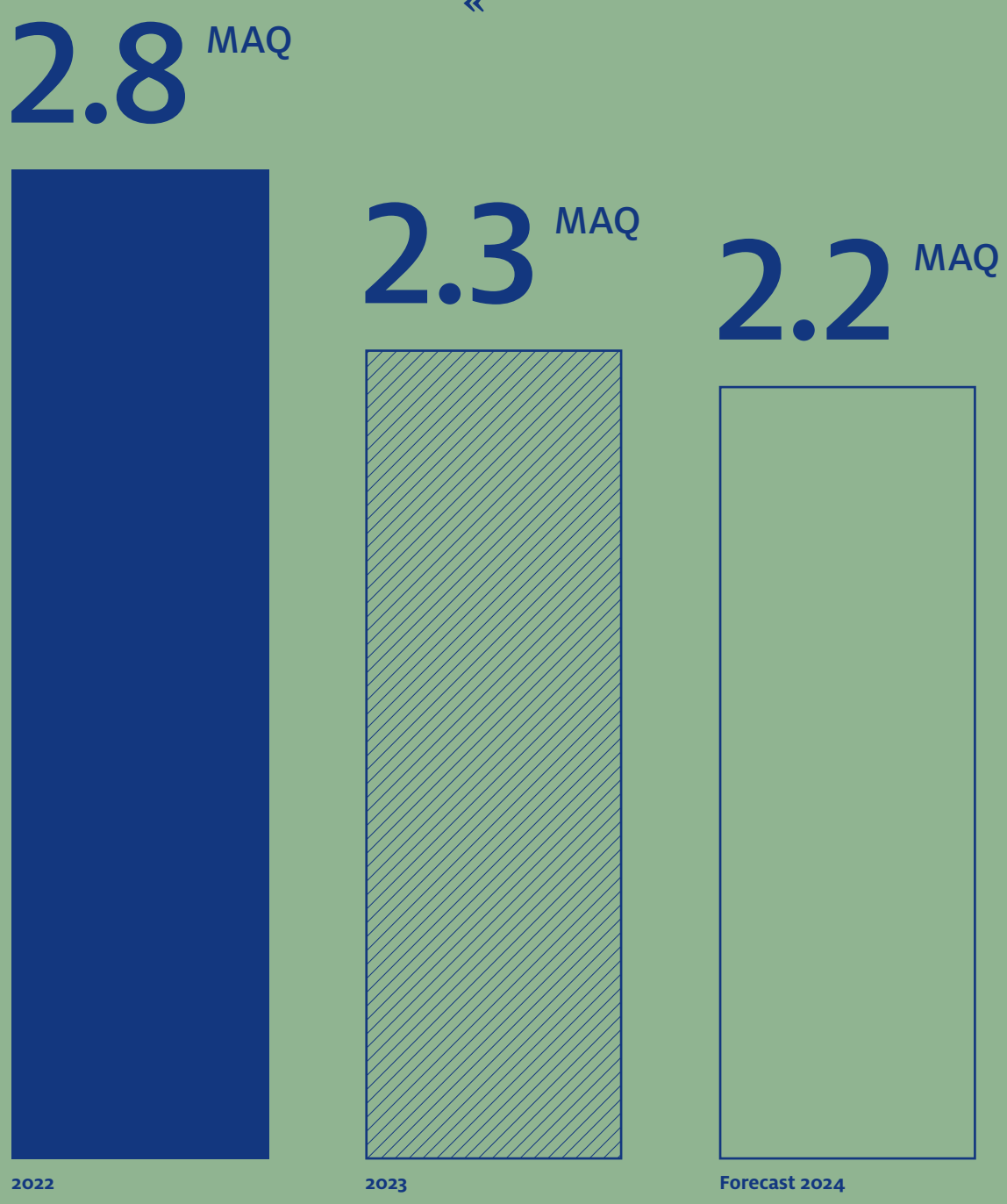
Over the past few years, we have set up teams that examined the issues of health, safety and overall work conditions among suppliers – and focused in particular on the so-called vulnerable groups. In our case, we are talking about very many small farmers who possess little and earn little. We collected data on more than 20,000 suppliers, structured it and evaluated it on the basis of our Supplier Code of Conduct. By the way, we posted the code in various languages on our website.

How time-consuming was this process?

It involved a whole lot of work. You can see what I mean by looking at the small farmers again. They frequently do not own a computer, only smartphones. As a result, they cannot even express their consent to our Code of Conduct in writing. For this reason, our employees drove to them, inspected their work conditions and documented them. The results of this multi-stage process have to be organized in a way that enables them to be audited. But one finding really pleased us: There were just a few cases where we needed to make improvements.

MAQ denotes the number of occupational accidents with at least one lost day per million hours worked.

» We launched our Symsafe initiative in 2022 to improve our performance in terms of occupational health and safety. «



Last year, the focal issue was the circular economy. What was done here?

The circular economy continues to be one of the core focal points of our sustainability activities. We work in all areas to do such things as use packaging materials as smartly as possible – through the selection of materials or innovative ways to pack products. The Pet Food division shows us how the circular economy works regarding the use of raw materials. Virtually all raw materials used here come from side streams or other production operations or reuse. We will continue to take this approach, throughout the entire Group.

Let's talk about occupational health and safety for a moment. Symrise has done somewhat poorly here in recent years. Has the situation changed any?

Yes, we have made tremendous progress. We launched our Symsafe initiative in 2022 to improve our performance in terms of occupational health and safety. In the process, we improved our MAQ level – this is a German metric that is used to measure the number of occupational accidents with at least one lost day per million hours worked. We have lowered the level from 2.8 to 2.3. We intend to reach 2.2 this year. Our mid-range goal is to decrease it below 1.5 and keep it there. As part of the Symsafe initiative, we appointed occupational health and safety officers around the world and introduced a series of rules and measures that apply to the everyday workplace.

All of these measures require large amounts of resources. You now face another EU directive that you will have to implement in 2024. Reporting will change drastically once again as a result of the Corporate Sustainability Reporting Directive (CSRD). How have you prepared for it?

We devoted a very large amount of time to the topic of the CSRD in 2023. The area of double materiality will play a role starting this year. This means that we have to report not only on the way that our business activities impact people and the environment, but also on the impact of sustainability issues on our company. There is no doubt about it. This will require a lot of work on the one hand. On the other, we have been reporting very transparently on our sustainability performance for a long time, in part because we want our customers to gain an understanding of the impact that our products have on the environment. Apart from that, we are happy to take on the great amount of work involved. It's obvious. We must stop climate change – and Symrise has been doing its part for years.

» We must stop climate change – and Symrise has been doing its part for years. «

The cornerstone of a *global enterprise*

150 years ago, one of the co-founders of Haarmann & Reimer – a predecessor of Symrise – synthesized vanillin for the first time. This was the start of a success story spanning almost one-and-a-half centuries of innovation and high-quality products. The company will therefore be celebrating a special anniversary in 2024, looking back at the past but also fixing its sights firmly on the future.

When chemists Wilhelm Haarmann and Ferdinand Tiemann synthesized vanillin for the first time in 1874, they could not have known that this would be the cornerstone for a global enterprise. Yet their product was indeed very special. It could be used in place of vanilla – the costly queen of spices – in some applications, making this flavor affordable and accessible to a broader consumer group.

The two scientists used a natural raw material that the company still uses today, extracting the vanillin in several stages from the sap of conifers. While Tiemann went on to work in academia, Haarmann laid the cornerstone for Symrise. He established his first company in 1875, joining Karl Ludwig Reimer one year later to form Haarmann & Reimer.

The second predecessor of Symrise was also established in Holzminden. In 1919, hairdresser Carl-Wilhelm Gerberding founded Dragoco to manufacture perfume and soap compositions. The two companies evolved in parallel, went international and merged in 2003 to create what was then the world's fourth largest supplier of fragrances and flavorings. Since its public listing in 2006, the company has continued to grow and move into new areas. In doing so, Symrise has focused on sustainability, developing an extensive strategy for this as early as 2005 that it has expanded massively in recent years.

And so the company has come full circle. Now, as in 1874, nature is the foundation of Symrise's business, enabling it to continue operating both sustainably and successfully in the future as well.

1874

The founders of Haarmann & Reimer discovered a way to synthesize aromatic vanillin. They built a vanillin factory in Holzminden.

1919

Carl-Wilhelm Gerberding and August Bellmer established the company named Dragoco, an enterprise that went on to become one of the world's leading providers of elegant fragrance compositions.

2003

The Symrise Group arose through the merger of Haarmann & Reimer and Dragoco.

2006

In December, Symrise conducted an initial public offering on the Frankfurt Stock Exchange. It was the largest IPO of the year.

As holistically as possible

symrise

Symrise has been purchasing vanilla in Madagascar for years. Roughly 10 years ago, the company updated its procurement strategy on the island in the Indian Ocean and formed a network of about 7,000 farmers who produce 36 raw materials and profit in many different ways from this partnership. During that same time, Symrise started its own experimental farm, expanded its production operation, achieved additional sustainability in agriculture on many levels and forged a fair partnership with the farmers. A glimpse at a unique value chain.

GOOD CORPORATE GOVERNANCE, SOCIETY AND BIODIVERSITY

The wide-ranging world of nature in Madagascar produces dozens of natural raw materials.

1 AN EVER-EXPANDING PORTFOLIO

Symrise procures only natural products from Madagascar. We started with vanilla and have expanded our portfolio to 36 products since 2014. These products are broken down into three groups. First, we purchase our blockbusters there, things like vanilla pods as well as mandarin, patchouli, geranium and vetiver oils. Second, our grand crus: high-quality products that are tailored just for Symrise, including oils made of longoza, pink-pepper leaf, ylang-ylang and cinnamon. Third, we develop innovative products there, products in which we combine traditional techniques like enfleurage and modern technologies like CO_2 extraction.

A focus on ethical procurement
While performing this work, we take steps to ensure that all procurement sources are ethically impeccable. This is a commitment that we clearly defined in the strategy we developed 10 years ago. We can trace the journey of every raw material back to the farm where it was produced. The well-being of farmers' families is one of our major concerns. We also maintain and regenerate biological diversity on the farms and protect the environment by sustainably using plants. We apply the Symrise Sustainability Strategy and comply with the Nagoya Protocol, which provides a framework for access to genetic resources and is intended to ensure fair benefit sharing for the countries in which the raw materials grow. Our products are certified on the basis of the standards set by Organic, COSMOS, Fair Trade, Fair For Life and UEBT. These certifications apply to both cultivation and production facilities. We work together with the farmers to always develop fast, pragmatic solutions. We are also audited annually by the independent certification organizations Ecocert and FloCert. As an active member of UEBT, we act as an advocate of sustainable farming practices.

Tremendous benefits for all divisions
Our raw materials are prized by both Symrise segments. An example: The Food & Beverage division uses ginger oil, while the Cosmetic Ingredients division relies on powdered ginger. One of the three pillars of our perfume raw materials specialist, Maison Lautier, is already dedicated to our natural substances portfolio, as is one of the four pillars of the Naturals business unit.

More raw materials, innovative technologies
This also means that we will have to maintain stable supplies in the future in spite of market fluctuations. We will secure supplies by drawing on our network of small vanilla farmers. We are also planning to add other special raw materials to our portfolio and apply innovative processing technologies. We prioritize sustainability as well: This focus starts with local production in Madagascar and extends to our efforts to upcycle individual raw materials for certain uses on a cross-divisional basis.

Laurence Briand,
Madagascar country General Manager

Fanny Rakotoarivelo,
Naturals Development Manager

2 CLOSE RELATIONSHIP WITH FARMERS

Symrise purchases its raw materials in the SAVA region but also in other areas in the north of the island. Some of the farming areas are in very remote locations and are difficult to reach on the dirt roads that lead to and from them. But the broad expanse of the locations on the island pays off in one major way: We can keep our customers supplied with products even if natural events cause crop failures. It's very unlikely that typhoons will hit every corner of the island during a single season.

40,000 people profit

We partner with about 7,000 farmers who, on average, cultivate one hectare of land. They grow vanilla on one half and food, crops and firewood on the other half. The farmers have been certified by the UEBT/ Rainforest Alliance, Fair Trade Organic or Fair For Life Organic. The farmers' families comprise a total of about 40,000 people, and these people benefit from our partnership. We also strive to increase the role of women in this work – women now run about 28 % of the farms. We also support the next generation of farmers.

Teaching more sustainable farming practices

One focal point of our work is to teach better and more sustainable farming practices to farmers. We have set up an agro-innovation center in Benavony for this purpose. We conduct research there into such topics as organic disease and pest control to improve the health of soil and make vanilla vines less susceptible to disease. We also promote agro-forest systems where food and fragrance raw materials that are important to us, like patchouli, are grown. The knowledge of the farmers is also very helpful to us. Together with the results produced in test operations, this knowledge leads to new farming practices.

Sharman Rambirana,
Sustainable Program Manager

Patchouli is an important raw material for the fragrance industry.

Jessica Fournier,
Sustainable Sourcing Manager

Support on all levels

The partnership is strong. But the challenges faced by farmers remain large. The country has hardly any infrastructure, like roads, schools and hospitals. The infrastructure that does exist is in poor condition. It lacks social safety nets like insurance or government disaster-relief funds that are provided in the aftermath of natural catastrophes. Most of the farms are also so small that the farmers can hardly earn a living from them. Our network helps farmers increase their productivity and tap several sources of income so that they are able to get through crises more easily. As part of this effort, we work with them to develop various value chains, purchase products at different times of year to ensure that they have an income throughout the year and pay prices that cover the sustainable production costs. We help them go into aquaculture, beekeeping and poultry farming. We also distribute seeds and seedlings to the farmers.

Sustainable support for a better future

One other top priority is to teach farmers to manage their budget and savings in order to pay off their debts. More than 20,000 people now have health insurance thanks to our efforts. We have about 7,000 farmers in the farm management program and have trained about 11,000 in good farming practices. We also help about 90 parent groups purchase basic educational materials for elementary schools and pay the salaries of additional teachers. We have also set up five training centers where young people can learn to become farmers. We will continue to carry out this work because it enables us to achieve several goals at once. We are committed to further strengthening the position of the farmers, easing the pressure on the soil and nature reserves with their sweeping array of biodiversity and teaching even more efficient farming practices. We move closer to achieving our sustainability goals by doing so.

Palma rosa is an aromatic grass that is used to produce fragrances.

The valuable green vanilla pods are harvested, fermented and converted into many different products.

3 OUR OWN FARM AS AN ANCHOR POINT

In Madagascar, Symrise produces a broad range of products that includes the raw materials grown by small farmers in the region. The process works very well. But we have learned over the years that farmers cannot or do not want to cultivate certain plants. There are many reasons why. Some farmers may view planting certain trees as too risky because they have no experience with them. Examples of these plants include bay, ylang-ylang and citrus trees. Some farmers prefer to grow only vanilla because it has the highest yield. Madagascar is also subject to crop-damaging typhoons. We have to broadly position our raw-material supply operation as a result.

Four farming operations
But demand for high-quality and traceable products is high. We set up our own farm with four individual farming operations to respond to it. “La Ferme des Hauts,” the largest farming operation, uses tractors and irrigation systems for the purpose of maintaining the biological diversity between wetlands, forests and fallow land. We plant natural barriers to prevent soil erosion between parcels of land, operate a composting facility and rehabilitate the soil. We also cultivate such aromatic plants as ylang-ylang, palma rosa, lemongrass, vetiver, bay and pink pepper. At the “Ambodipont Farm,” we grow acacia and eucalyptus trees. We use the renewable wood from these trees to fire the boilers in our factory – and we run our “Torsten Farm” to gain experience with the cultivation of citrus trees.

Role model for regenerative farming
We also plant new cultures like tuberose, Orris root, cosmos and Chinese raspberry, so we can determine their suitability for the region, define the standards we must apply and learn how we can process these plants. In addition, we are testing various irrigation and composting systems that could be used to improve the quality of soil without applying any chemical supplements. We are also working on mechanical harvesting methods for such things as vetiver roots to increase yields per hectare.

Everyone profits
We all profit from our farms: the farmers, the environment and Symrise. The farmers have to take less risk and can learn from us. The environment profits because we are adapting to climate changes, increasing biodiversity, setting up agroforestry cultivation systems and regenerating the soil. Symrise profits as well because we can provide our customers with sustainable production that is based on quality, quantity and total traceability.

Thierry Bernard,
Farm Manager

Vetiver is a sweet grass that is distilled to produce an unforgettable fragrance oil.

The essential oil from the ylang-ylang plant is widely used by the perfume industry.

Many jobs are done by hand in the fields of Madagascar to obtain high-quality raw materials.

28 %

of agricultural operations are managed by women

Ginger is produced on Madagascar for use in aroma and scent therapy.

Arnaud Wallez,
Head of the Distillation Operation at the plant in Benavony/Sambava

4 A CONSTANTLY IMPROVING PRODUCTION OPERATION

For the past 10 years, we have been running our own production operation, an activity that has changed enormously during this time. In the beginning, we only extracted vanilla pods that had been grown and fermented here on the island. Since then, we have added a broad range of new technologies and processes and expanded our portfolio while doing so.

Much more than vanilla

We produce vanilla extracts for the Symrise segment Taste, Nutrition & Health, extracts for our Fragrance division and essential and plant oils and dried ginger. In addition to vanilla extraction, we have set up a distillery in which we primarily produce vetiver and longoza oils. We dry ginger rhizom there and store various essential oils supplied by farmers from the region. We have also expanded the factory and created an area where we can receive and sort plant material. We process the dried ginger in another area of the production operation.

Analysis and processing

All products delivered to us pass through a precisely defined process. We analyze them with the help of gas chromatographs to identify individual elements. Accepted qualities are filtered with high-performance materials and packed in containers. Our products are also UEBT and/or Bio and Cosmos certified. The factory is approved as a halal and kosher factory as well. What's more, we continuously expand our technologies. These additions include new drying and CO_2 extraction facilities and a Symtrap® column. This patented process enables us to use side streams from plant processing to achieve higher quality or yields. One example of this is vetiver oil, one of the biggest selling products in the Symrise Fragrance division.

Plans for the future

We have many plans for the years to come. We want to use enfleurage technology to create additional flowery accents. In this process, petals are placed on fat and their scents diffuse into it. Maison Lautier – our natural perfume branch in France – extracts the scents and then processes them. We are also developing niche products by extracting unusual wild flowers through the use of supercritical carbon dioxide. One of our highest priorities is long-term thinking. Our region has virtually no industrial infrastructure. This means that we need a long lead time regarding repairs and new acquisitions. We have gained additional energy independence by erecting a solar park – and we are also reducing our carbon footprint in the process.

WASTE-FREE & DEGRADABLE

Symrise has significantly expanded its production of the musk fragrance ingredient Globanone® at its US plant in Bushy Park (South Carolina). The team used the principles of green chemistry to adapt and improve the processes to more efficiently manufacture the product, thereby making it more sustainable.

INNOVATION AND DEVELOPMENT

If you ask a perfumer what fragrance they wouldn't want to do without, the reply is often the same: musk. It certainly is omnipresent, commonly found in the most popular blends of fine fragrances and in household products. The significance of the fragrance comes from its properties that have been recognized for centuries: "Musk fragrances tend not to dominate the top note but remain in the background, enabling other substances to take effect and the perfume to be smelled on the skin for a long time," says Dr. Peter Esser. This also applies to its use in detergents, for example. "Musk deposits the fragrances in a towel so that it still smells fresh weeks after being washed," explains the head of chemical production. He is responsible for the Symrise production operations in Holzminden (Germany), Granada (Spain), Bushy Park, Colonels Island and Jacksonville (all USA) as well as Monterrey (Mexico).

Peter Esser has been working with fragrance molecules for decades. He and his team are always finding new ways to make their production more efficient and more sustainable. And now Symrise has also made great advances with musk fragrances. At the Bushy Park plant in South Carolina, Peter Esser has developed and optimized the production technology of the well-known and biodegradable musk fragrance Globanone® so that almost no waste results from its manufacture. "The process dates back to our work in the late 1990s, and we first produced Globanone® in 2002 in Bushy Park," recalls Esser. The decisive step is the metathesis reaction, which makes complex synthesis possible in just a few steps and therefore requires fewer resources and gives off fewer byproducts.

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We also always keep an eye on improving processes.

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Dr. Peter Esser,
Vice President Global Chemical Production

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For example, we still use the same catalyst as before, but use far less material.

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Dr. Tom Brunzel,
Plant Manager in Bushy Park

The original system had been designed with expansion in mind. “The demand for Globanone® has steadily increased since then, and so we continued to develop production plans and are now working with three times the capacity,” says Esser. It is important to the chemist, however, that Symrise think beyond emissions when planning expansion. “We always have an eye on optimizing the process as well.”

In the case of Globanone®, this means that Symrise has improved the already extremely effective process based on the twelve principles of green chemistry. But optimizing an established, successful process is not easy. “We are on a constant learning curve that has enabled us over the years to greatly enhance our understanding of how certain technologies function,” says Dr. Tom Brunzel, manager at Bushy Park for the last year. The 32-year-old was involved with Globanone® during his doctorate and enjoys tinkering with processes to make them better. “For example, we still use the same catalyst as before, but use far less material,” he explains, describing one of their successes.

The consumption of solvents has fallen drastically, and the solvents used are now based on renewable raw materials. “We can also recycle both solvents by condensing them from the gas byproducts and keeping them in the cycle,” says Brunzel, explaining another benefit. Other decisive factors for process improvement are efficient energy recovery and a clear reduction in water consumption. Both have been achieved. Symrise uses what is known as vapor recompression to recover evaporation heat. This means that much less external energy is required and far less water is used. “The first stage of our production is free of process wastewater. We are currently working on solutions for the further stages in order to eliminate the very small amounts of wastewater,” says Dr. Tom Brunzel.

All these steps mean that Globanone® can be produced with virtually zero waste. “Globanone® works on both a sensory and a practical level,” says Peter Esser. “Our perfumers have told us that the fragrance molecule gives a warm, velvety and long-lasting musk note. It lifts other fragrances but doesn’t overpower them. It also offers substance, stability and volume.” The investment in Bushy Park has been very worthwhile, says Esser – both for the product and the environment.

Commitment on all levels

The entire Symrise Group will be climate neutral in 2045. As it works to reach this objective, the company has taken action around the world and at all of its business locations to reduce CO_2 emissions. The basis of these efforts is the company's Low Carbon Transition Plan that applies to a wide range of areas.

GOOD CORPORATE GOVERNANCE AND CLIMATE

Dr. Helmut Frieden works with the sustainability team at Symrise to achieve the company's climate goals.

Granada is one of Europe's sunniest cities. The sun shines nearly seven hours a day there, in the southern Spanish region of Andalusia. To make the most of this sunshine, Symrise installed photovoltaic modules on the roofs of the fragrance plant that it acquired in 2021. From a bird's eye view, the sight is pretty impressive: The 4,800 square-meter system produces circa 1,600,000 kilowatt hours of power annually – enough to supply 385 German four-member households for a full year. The photovoltaic system meets 15 % of the power needs of the fragrance production operation.

The system in Spain is one of hundreds of steps that Symrise will take in coming years to reduce its CO_2 emissions. "We formulated our climate strategy back in 2010, and we were one of the first companies to do so," says Dr. Helmut Frieden, Vice President for Corporate Sustainability at Symrise. "At the time, we set the goal of cutting our CO_2 emissions by one-third by 2020. We achieved this goal in 2016 and then immediately set more ambitious targets." Symrise is striving to reach the below-1.5-degree target for Scope 1 and 2 CO_2 emissions – that is, the emission of greenhouse gases that arise directly in the production operation or come from purchased forms of energy. For Scope 3, which covers climate-damaging gases in the upstream and downstream supply chain, the company is working to reach the below-2-degree goal, Helmut Frieden says. By 2030, the Group aims to be climate neutral in Scope 1 and 2 and have reduced emissions by 30 % for Scope 3 – the entire Group should be climate neutral by 2045.

Climate protection is important to Symrise and its business model. "We source most of our raw materials directly from nature. For this reason, it is only natural for us to protect the climate and foster biodiversity," Helmut Frieden says.

To achieve these goals, the sustainability team in Holzminden has worked closely with the company's locations in Germany to plan future years and decades and set investment totals. Initially, some relatively simple steps are to be taken. Things like installing photovoltaic systems and switching the company's fleet to electric vehicles. After that, the technologically challenging part begins. "We plan

» We source most of our raw materials directly from nature. For this reason, it is only natural for us to protect the climate and foster biodiversity. «

Dr. Helmut Frieden,
Vice President Corporate Sustainability

to electrify our production operation in order to give up fossil fuels like natural gas," Helmut Frieden says. Part of this transition involves installing electrode boilers for high-pressure steam networks or industrial heat pumps, among other things. But the planning extends much further than this. "We have also included the industrial-scale use of hydrogen in our plans, even though there are no networks for it right now," Frieden says. "But we are confident that we can get started in 15 years." The sustainability manager thinks the plans can be realized if Symrise continues to steadily grow as it has in the past. "We have directly included higher production volumes in order to be prepared for the future." The investments are high, Frieden stresses. "But the investments will quickly pay for themselves in many places because we will take certain actions, such as sharply lowering our energy and CO_2 costs," he notes.

The activities carried out in Germany will now be rolled out worldwide. The first step in this process will identify the locations with the highest emission levels. Production operations in the United States cause more than half of all CO_2 emissions. The next focal point is to be set there. Germany ranks second due to the size of the plants at the company's headquarters. It is followed by Ecuador and Mexico. "We are now setting the exact amounts of investment by identifying the business locations with the highest optimization potential," Helmut Frieden says.

France, where the Taste, Nutrition & Health segment primarily operates numerous plants, ranks fourth. From here, in Rennes in Brittany, Thierry Lenice reviews the plans. "We will start with our plants in the United States, Mexico and China and then quickly integrate all remaining production operations," the Low Carbon Transition Manager says. He also works intensely with Scope 3, the core of which focuses on the carbon footprint of raw materials. "About 80 % of greenhouse gases are created during the production and transport of our natural substances," Thierry Lenice says.

One focal area is the recipes for products whose life cycle was analyzed by his team in recent years. In addition to other aspects, this includes environmental impacts such as emissions of CO_2 equivalents. To illustrate his point, Thierry Lenice has placed two glasses of a soft drink in front of him. One beverage is the original version. The other is a refined version made with an optimized recipe that is designed to reduce the carbon footprint of the entire product. "In the past, we used pure orange extract for this soft drink," the manager says. "We have now changed the flavoring ingredients by using a different mixture. We previously used 100 % orange extract from Brazil. We changed the recipe to include 20 % domestic mushroom extract that contributes the same texture and the same flavor." Both products are totally natural, taste the same – and the new mixture produces fewer greenhouse gases along the entire value chain.

With the help of this eco-design, emissions can be reduced by an average of 30 %. As part of this effort, Thierry Lenice also focuses on local producers. "We work closely with them," he says. "On the one hand, we assess their efforts to reduce our carbon footprint and, on the other hand, consider ways that we can help them become more sustainable," Thierry Lenice says. But he adds that the suppliers who work with thousands of small farmers face some challenges in this effort. "Due to their size alone, it is not easy for many of them to meet and document the standards," he says. Lenice considers this type of collaboration to be especially important. "We live from agriculture and obtain our raw materials there," he says. "By playing an active role here, we can pull the right levers and make our products more sustainable."

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About 80 % of greenhouse gases are created during the production and transport of our natural substances.

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Thierry Lenice,
Manager Low Carbon Transition

30 %

of emissions can be eliminated through eco-design on average.

Innovative combinations of raw materials can be used to enormously reduce the carbon footprint of products like soft drinks.

BRING

ON

THE

future

Driven by a strong vision and answering a growing demand from its customers, Symrise plans to continue reducing its carbon footprint, with the goal of reaching net zero by 2045. To achieve this ambitious goal, the company has launched the Houston program, which is meant to build and implement a uniform approach to calculate the carbon and water footprint (at product and corporate level) throughout the Group and to raise awareness among all employees on the topic of sustainability.

INNOVATION AND DEVELOPMENT, CLIMATE

In the early 1960s, the Lyndon B. Johnson Space Center, the command center of the US space program, made its home in the city of Houston, Texas, in the United States. Humanity has made great strides with Houston in control, for example the first manned flight to the moon and space shuttle launches into outer space. Houston has become a symbol for well-conceived, tightly organized projects – and that is what Symrise is counting on with its Houston program, which began in 2023. The objective here, however, is not to reach the moon – it's to find a path to greater sustainability for the entire Group.

"As is the case with space travel, we divided the Houston program into three phases that build upon one another and are designed to make Symrise more sustainable on multiple levels," says Claire Du Peloux. A native of France, Du Peloux is heading up the project and oversees a team that is spread across functions, regions and organizational units. She has worked in Symrise's finance and controlling department in Rennes since 2010, in the Taste, Nutrition & Health segment, and joined the sustainability team two years ago. During the Ignition phase, which was finalized in January 2024, the team gathered data and facts to understand the needs and priorities of internal and external stakeholders. Based on this input, they decided on a way forward, and built a concrete roadmap to shape the company's vision. This first phase entailed, among others things, the definition of global business requirements and the identification of technical IT solutions that could deliver on them. The Lift-off phase will then be dedicated to testing the chosen IT platform throughout spring 2024. Finally, the Orbit phase will support the tool's rollout within the whole Group by the end of 2025.

The project started with intensive research. "We surveyed stakeholders on all levels – here in the Group, but also our sustainability colleagues at our customers, for example," Claire Du Peloux explains. "Houston can only be effective if we align our activities with those of our customers and other stakeholders." In view of the fact that 80 % of Symrise sales are generated with only 25 % of Symrise's finished products, the team made the choice to build Houston on this basis, focusing their efforts on these 25 % of products for the two years to come, to quickly meet customers' high expectations. Indeed, more and more customers are inquiring about the carbon footprint of their products. "They want to know what the figures show today, but they also want to see our roadmap for decarbonization," Claire Du Peloux says. Just like Symrise, all companies of a certain size have written out their climate targets. "Global customers are passing the pressure on to suppliers, expecting us to move on from pledge to plan. This is why we have to measure, track and analyze our footprint from Group view down to product level in order to design and offer to our customers – as much as possible – low-carbon and, in a second step, low-water alternatives. User-friendliness, data accuracy and safety are key criteria for the new tool."

Laure Vassel was also involved in the 50 interviews with 140 stakeholders. She has worked for the company since the beginning of 2022 and is involved in the Houston program as a business sustainability analyst. "By 2030, we plan to reduce our Scope 3 emissions (e.g., the emissions linked to the cultivation, production and transport of the company's purchased raw materials) by 30 %," Laure Vassel says. "To this end, we touched on all parts of the value chain in our

interviews, as all business areas have their role to play. From alternative sourcing, innovative recipes, more efficient production processes and clever solutions in logistics, the whole Symrise organization and upstream value chain has a part to play," she says, listing numerous reduction levers. This collective effort is of paramount importance, as purchased products represent 85 % of our emissions today.

Laure Vassel also makes it clear that, although corporate targets are set at a global level and apply all around the globe across all divisions, the challenges to reach them may vary greatly. "The Houston program won't churn out a one-size-fits-all solution. Instead, it will support the emergence of a new mindset that we strive to introduce and implement as one Symrise team: a common framework and way of working, accounting for all business specificities." Claire Du Peloux confirms this, as she sees the program as the foundation upon which Symrise's Low Carbon Transition Plan can come to fruition. "With the Houston program, our aim is to build up cohesion within the Group and become a geared team for greater sustainability around the world." Sustainability should be the focus of the global value promise, and Symrise should remain a pioneer in the industry and business.

The project team is aware that a deep mindset change is required for this tool to reach its objective. This is why they put together a set of proposals articulated in four pillars: Leadership, EcoSystem, People and Data. Leadership is expected to drive the sustainability strategy toward action mode, transition and innovation. As part of an EcoSystem, the Group shall rally its network and expand partnership culture in its interactions with customers, suppliers and other stakeholders.

As an example falling under the People pillar, which focuses on education and training, every employee could be given the opportunity to take part in a Climate Fresk workshop – based on the card game of the same name, with which an NGO has already explained the fundamentals of climate change to hundreds of thousands of people worldwide. "It's important to make what is happening right now tangible for people," says Claire Du Peloux. "Above all, we have to give ourselves the tools to do something about it." Finally, an example to illustrate the data enhancement vision could be the data management workstream, which would allow harmonization and ensure a satisfactory level of data quality. "We at Symrise have to properly collect, structure and analyze our data in order to be successful," Claire Du Peloux says.

Du Peloux and Vassel are confident that the Houston program will provide a lot of impetus – even though the processes, standards and regulations can differ greatly between Pet Food and Cosmetic Ingredients, for example, or Fine Fragrance and Food & Beverage. "The learning curve is still steep," Claire Du Peloux and Laure Vessel say. "With Houston's first phase, however, we have taken the first step – compiling the different needs and creating an approach that's suitable for the entire Group."

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key actions have been identified in the Low Carbon Transition Plan.

» **By 2030, we plan to reduce our Scope 3 emissions by 30 %.** «

Laure Vassel,
Business Sustainability Analyst

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With the Houston program, our aim is to build up cohesion within the Group and become a geared team for greater sustainability around the world.

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Claire Du Peloux,
Sustainability Project Manager

Great benefit for the future

The Symrise portfolio consists of more than 35,000 products. Our customers – from small, regional specialists through to global enterprises – use these products to manufacture hundreds of thousands of their own products for consumers around the world. To better understand their tastes and preferences, and thus perfect our product development, all Symrise divisions have experts working to identify and analyze trends and leverage them effectively. The trendscope™ 2024+ report for the food and beverages sector is one example of this.

INNOVATION AND DEVELOPMENT

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We are extremely agile and are always keeping an eye on the skill sets we need.

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Regine Lueghausen,
Vice President Global Marketing Food & Beverage

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Consumers are increasingly asking for plant-based products that are tasty and healthy, and not only as an alternative to eating meat.

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Leif Jago,
Global Marketing Manager Food & Beverage

We have known since time immemorial that eating and drinking nourish both body and soul. Initially it was merely a matter of satisfying hunger; enjoyment and health were secondary. And today? Food has become an important part of our life, especially once basic needs have been met. Compared with centuries ago, people are far more concerned these days with what they are eating, how it affects their health and whether their eating habits are socially acceptable. The industry must constantly up its game and adapt to new trends.

For Symrise, this means continuously monitoring and analyzing consumer behavior in the Taste, Nutrition & Health segment, to provide our customers with the best solution for their products in order to satisfy consumers. This applies to small food startups and global food companies alike. Our trendscope™ report, conceived in 2007 originally for the beverages market, is intended to serve precisely this purpose. “Our customers and internal departments found the results so helpful that we have continued to develop the report and now include other food categories,” says Regine Lueghausen, Vice President Global Marketing in the Food & Beverage division at Symrise and head of the Taste, Nutrition & Health segment’s Marketing Excellence.

The trendscope™ team now draws on a large number of qualitative and quantitative approaches combined with a variety of different data sources. “For example, we analyze consumer reports about food that we find online or on social media,” says Leif Jago of a significant part of their research. He is Global Marketing Manager Food & Beverage at Symrise and since 2021 has been one of the people responsible for the report. The team also analyzes studies, market reports and other surveys in order to better understand consumer behavior and preferences. The research also looks at the new products being launched by the food and beverages industry. “Many trends emerge in the world’s urban hotspots. In twelve of those, including Shanghai, Berlin, Tokyo and New York, we have conducted interviews with food bloggers, journalists and trendspotters,” says Jago. The findings are shared and discussed with Symrise colleagues from marketing and product development at sites all over the world, who contribute their expert knowledge of local trends. “We also take this opportunity to find out which concepts are in particularly high demand among our customers at the moment, to be sure their side is also reflected,” explains Regine Lueghausen. This holistic approach goes even further: The research provides the basis for individual reports for the beverages, food, dairy products, snacks and confectionery product categories. Even the Pet Food division benefits from the report because product ranges for pets are often influenced by food trends.

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Together we can approach projects in a much more targeted way, are quicker, more agile and thus also more sustainable."

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Barbara Bridges,
Global Account Director

The result is a comprehensive overview of the macro trends of the coming years. To take an example from trendscope™ 2024+: "The topic of health is becoming increasingly important, particularly since the beginning of the coronavirus pandemic, and physical and mental well-being are a priority for many people," says Leif Jago. According to him, consumers are gaining a better understanding of how closely the two are linked. trendscope™ features another similar trend, which it calls "mindful choices," referring to the push to consume less sugar, salt and fat but without sacrificing taste; the term "plant-based" is generally used as a synonym for meat substitutes. "But we are noticing that the phenomenon is much broader: Consumers are increasingly asking for plant-based products that are tasty and healthy, and not only as an alternative to eating meat," says Leif Jago. For instance: "Activist Eating" sees consumers seeking out products that can be manufactured with significantly lower carbon emissions than others. "This trend will be around for a while." For Symrise, there is always the question of what the macro trends mean for our own portfolio, says Regine Lueghausen. "We are extremely agile and are always keeping an eye on the skill sets we need. The objective is to help our customers achieve their goals and simultaneously contribute to the sustainable success of Symrise."

Once trendscope™ is developed for a particular product category, it sets off a structured process. The Symrise business units that implement the findings receive in-depth webinar training, supplemented by a toolbox of materials, ranging from brief descriptions of the trends, infographics, right through to presentations and videos tailored to individual customers. "We can then build on this knowledge to develop taste solutions that we can use to reconcile consumer demands with our customers' strategies," says Barbara Bridges. "We can use trendscope™ to create value by making better use of our resources." The Food & Beverage Global Account Director passes on the report's findings to her international customers. "Together we can approach projects in a much more targeted way, are quicker, more agile and thus also more sustainable." She also notes that her customers have been asking more frequently about what benefits these products have for the consumer. Good prices or high quality are no longer sufficient

for proposed new food concepts to succeed. “This development is also due of course to consumers nowadays being very well informed and wanting the best products for their particular situation,” says Barbara Bridges.

Her colleague Katja Tiitinen confirms this. As Regional Director Sensory & Consumer Insights for the Food & Beverage EAME region, Katja works at the interfaces of the internal value chain. “Our strength is that we can incorporate trends at any point, and we also receive corresponding feedback, from areas spanning research, production, and marketing,” she says. Her team tests products for their technical and taste properties, among other things, and she recognized some time ago that sourcing locally is becoming increasingly important. “Many developments are taking place worldwide, more than ever since the advent of social media,” she adds. “But we are also seeing that some trends vary in different parts of the world.” The opportunities this offers for Symrise and its customers are huge. Complexity too is increasing, meaning that Katja Tiitinen also has the task of bridging the gap between the different areas. “We translate the trends for different customers into different products and adapt tastes to the respective market, for example.”

For Symrise and its customers, therefore, the research is worthwhile on several levels. Product development becomes more precise, faster and more sustainable – which in turn reduces costs – and consumers also benefit: They can enjoy foods that cater precisely to their tastes as well as nutrition and health requirements.

THE FUTURE OF TREND RESEARCH

With Symvision AI™, Symrise has developed its own tool that can predict taste trends using artificial intelligence. It uses data collected by Symrise through its trend research over 10 years to better understand markets, consumer preferences and trends. Symvision AI™ also draws on current data from market launches and insights from market experts. Bringing all this together makes it possible to predict taste trends and how they will develop across different regions of the world.

» We translate the trends for different customers into different products. «

Katja Tiitinen,
Regional Director Sensory & Consumer Insights

Healthy development

Symrise consolidates its expertise in Health Active solutions, which are used in health-related products. In a field that harbors enormous opportunities for growth, the Taste, Nutrition & Health segment has built a dedicated team to develop a vision and a strategy, drawing on many years of experience and meeting consumers' demand to proactively improve their health.

INNOVATION AND DEVELOPMENT, SOCIETY

"In my 17 years with the company, health has always been a focus for me," says Nathalie Richer, leading Human Health in the Taste, Nutrition & Health segment. "For a long time, our products have been contributing to people's well-being on many levels." Today people and pet parents are in search of products benefiting the body and health. Therefore, industrials are asking for solutions to meet these expectations.

In 2023, Symrise decided to accelerate its position and reinforce its expertise on health. "We have now structured a new leadership team who has reviewed our approach, co-built a clear vision and new strategy dedicated to Health Active Solutions," explains Dr. Olivier Ballèvre, Health Strategy Vice President for Taste, Nutrition & Health. The team, which began its work in 2023, aims to focus on Health Active Solutions' benefits, sourced from nature and substantiated by scientific findings. Echoing its historical commitment to sustainability, Symrise's raw materials responsibly sourced from nature include processed side streams of fruit, vegetables and meat. The resulting products will be addressing three strategic health benefit areas: gut and immune health, metabolic health, and healthy aging. This will enable Symrise to stand apart from its competitors.

The product portfolio is broad: "We are looking closely at a diverse application market for people and pets, as both markets share similar health challenges. There are a lot of common aspects on innovating for Pet Health and Human Health," says Dr. Olivier Ballèvre. There are Symrise products for use in functional foods and beverages, in dietary supplements and in medical nutrition delivering targeted health benefits. For pets, there are functional treats, pet dietary supplements, and also veterinary diet. To achieve its goals in these areas, Symrise is heavily investing in people, research and development, communication and manufacturing capabilities.

» **For a long time, our products have been contributing to people's wellbeing on many levels.** «

Nathalie Richer,
Human Health Leader

The company's portfolio already included natural bioactives. "We now aim to expand our offering with solutions that are backed by stronger science and contribute to improving users' health – not treating diseases," says Nathalie Richer. "To achieve this, we are regrouping internal know-how and recruiting very specific health experts in different domains to develop a complementary skillful team that will build on existing know-how. One of the challenges here is the different regulations that apply in the various regions. "In Europe, for example, regulatory aspects can be very different to other regions, like North America and APAC," explains Nathalie Richer.

Therefore, the regional Business Development Managers will have a key role to play in implementing the strategy and developing the product portfolio.

Cranberry-derived polyphenols in Prebiocran™ solution help to positively modulate gut flora composition and function.

"Here, we will be aligning closely with the needs of the respective markets," says Renata Leite, Global Health Strategic Marketing Director.

Our product pipeline is well stocked. A good example of a specific product is the Prebiocran™ premium branded solution. Thanks to the creation of a 5-year Industrial Partnership Chair on the potential prebiotic effects of fruit polyphenols in 2018 together with the Institute of Nutrition and Functional Foods (INAF) and the Natural Science and Engineering Research Council of Canada (NSERC), Symrise brought Prebiocran™ to market in May 2023. It is rich in polyphenols – a group of secondary plant compounds that support a healthy gut.

Prebiocran™ proved to be able to specifically modulate gut flora composition and function and boost intestinal barrier function. "There are promising findings showing that Prebiocran™ can help support metabolic health," says Renata Leite. An in vitro study using a simulation of the gastrointestinal tract supports the product's effectiveness. A clinical pilot study was also conducted. For a complete and additional value solution, products like Prebiocran™ can also be combined with other Symrise expertise, such as taste-masking.

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We are looking closely at a diverse application market for people and pets.

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Olivier Ballèvre,
Health Strategy Vice President for Taste, Nutrition & Health

Symrise has great future ambitions in the Health Active Solutions space. Whereas the company has previously used mostly natural ingredients obtained from fruit, vegetables and meat, now it is growing its portfolio by sourcing new botanicals and entering into biotic raw materials. "As we are strengthening our capabilities into this field, we have an enormous range of options," says Nathalie Richer. "That is why addressing the topic of Health Active Solutions will enable us to develop some very exciting business opportunities."

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There are promising findings showing that Prebiocran™ can help support metabolic health.

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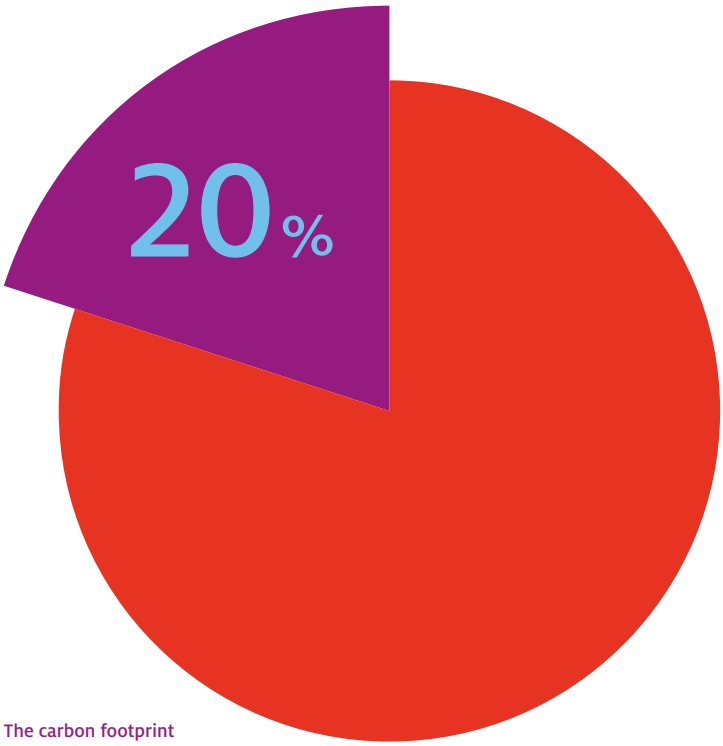
Renata Leite,
Global Health Strategic Marketing Director

Less CO_2 with the same effect

For her masterpiece as a perfumer, Anne Dussourt explored the carbon footprint in fragrance creations. Her thesis, for which she had support from the sustainability team, is another step on the path to achieving the Group's climate targets.

INNOVATION AND DEVELOPMENT



The carbon footprint of fragrance compositions can be reduced by 20 % by modifying recipes.

Anne Dussourt stands in the laboratory in the Symrise main building in the Clichy district of Paris. Using a pipette, she drops exactly 3.5 grams of a fragrance ingredient into a glass beaker that already contains a few centiliters of a clear liquid. She carefully shakes the beaker, dips a paper scent strip into it, pulls it out and carefully approaches it with her nose. She smells it and nods – she likes the composition.

Working in the laboratory is part of the daily routine for this 29-year-old, who studied chemistry in Strasbourg and then at the renowned ISIPCA perfumery school in Paris before graduating as a perfumer at Symrise in September 2023. She now develops perfume compositions on the computer, has them mixed together and tests them. From time to time, however, she carries out the manual process herself to get a first-hand impression. But Anne Dussourt has a much bigger goal in mind beyond her daily work: She wants to help minimize the carbon footprint of perfumes. That's a major task, since Symrise has a palette of over a thousand raw materials which are currently actively used for new compositions.

Training at the Symrise Perfumery School takes five years. For her masterpiece, Anne Dussourt examined the impact of carbon footprint on fragrance creations. Although only a few grams of fragrance oil are used in a typical bottle of perfume, the quantity makes all the difference. Worldwide, millions upon millions of perfumes are sold every year in the fine fragrance segment alone. Fragrances are also used in detergents, shampoos, soaps and lotions. Anne Dussourt mentions another figure: "The average French person produces eight to twelve tons of CO_2 per year. Although the fragrances only make up a tiny fraction of that, we can still contribute to reducing the amount of greenhouse gases released into the atmosphere."

The Symrise perfumer Anne Dussourt examined the impact of the carbon footprint on the creation of fragrances.

Testing alternatives is one way to optimize fragrance compositions.

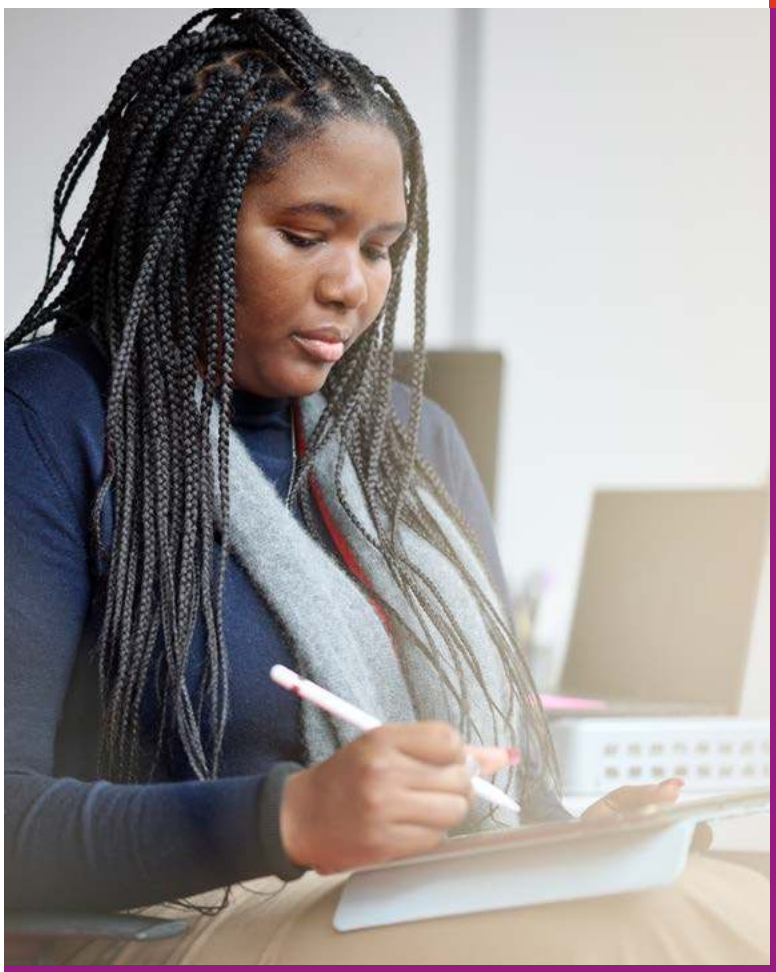
Sustainability is extremely important to Anne Dussourt. She already dealt with biodegradable and renewable raw materials for her exam as a junior perfumer. “Sustainability is part of the creation process,” she says. “We have to constantly rethink and implement it.” In her masterpiece, she took her ideas further, evaluated them and created a range of fragrances, focusing on different sustainability parameters. A panel of experienced managers, perfumers and HR managers judged the creations.

She was assisted by Seynabou Ndao. The 24-year-old, who focused on sustainability and green chemistry during her chemistry studies, started as an intern at Symrise. She analyzed how much CO_2 is emitted during the entire value chain up to the completion of the perfume – from the cultivation of the individual raw materials to mixing in the laboratories. She spent several months analyzing the portfolio of raw materials and collecting information. “With some materials, such as alcohols or esters, it’s relatively easy because the processes are so clearly structured and well documented,” says the chemical engineer, who comes from Senegal and studied in France. The substances that Symrise produces from sidestreams at its plant in Jacksonville in the United States are relatively easy to cluster and evaluate, says Seynabou Ndao. “With essential oils that come from natural raw materials such as plants, however, it’s much more complex.” She is continuously working to improve data quality. To that end, she also involves the suppliers: “We work with them to support them and encourage them on their carbon footprint journey.”

The topic has gained huge momentum overall for Symrise since 2022. “The carbon footprint of raw materials and fragrance compositions is becoming increasingly important for our customers,” says Philippa Smith, Sustainability Director Scent & Care at Symrise. “That’s why we focused on examining our range of raw materials at an early stage and are proud of this project. It’s groundbreaking in our industry.” The degree of innovation in the masterpiece is very high. “Before my thesis, there was no clear definition of what a low carbon footprint should mean for a fragrance,” says Anne Dussourt. “Linking fragrance creation to carbon footprint data in our system was a key part of the project.”

In her master’s thesis, Anne Dussourt focused on the application of sustainability data to fragrances. She created a range of fragrance compositions that Symrise customers use, for example in shampoos, shower gels and deodorants. To do so, she first created a conventional fragrance, such as a fruit-scented

Seynabou Ndao analyzed the raw material portfolio of Symrise to determine how much CO_2 is emitted by the value chain.



Anne Dussourt (left) and Seynabou Ndao test fragrance mixtures to determine how they behave when used – in products like hand creams.

shampoo. In the other blends, she replaced various ingredients in order to reduce the carbon emissions and use as many biodegradable and renewable raw materials as possible. “We were able to show that we could reduce the carbon footprint by up to 20 %, for example,” says Anne Dussourt. They discovered that it’s easier to replace certain fragrance ingredients, but more difficult to do so for others. One positive result was that through careful ingredient selection, costs and performance could be maintained.

However, determining the carbon footprint alone is not enough. The industry cannot simply dispense with fragrances that have high carbon emissions. “We face a challenge on several levels: Fragrances have to continue to smell as good as they did before,

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We face a challenge on several levels: fragrances have to continue to smell as good as they did before, work in applications, comply with regulations and be comparable in terms of price."

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Anne Dussourt,
Perfumer

work in applications, comply with regulations and be comparable in terms of price," says Anne Dussourt. In addition, Symrise's customers often have different demands when it comes to the biodegradability of products or the renewability of raw materials, for example. What's more, they want to set themselves apart from each other.

Consumers also only buy what they like on all levels: They want sustainability, but also the familiar fragrance. That includes ensuring that a fragrance, for example in a detergent, doesn't evaporate immediately. It still has to be perceptible when an item of clothing is taken out of the closet after being there for a while. Because some molecules only interact with others in a specific way, perfumers cannot simply swap raw materials. At the same time, certain substances are essential for a perfume: "We need musky base notes, for example, which often have a higher carbon footprint. They do, however, ensure longevity," says Anne Dussourt. This is exactly where great savings can be made if there are good substitutes or other compositions.

One way to achieve that is through captives – fragrance ingredients that Symrise has developed and patented and is allowed to use exclusively for 20 years. “The substances are almost always produced according to the principles of green chemistry from sidestreams in other sectors and are therefore very sustainable,” says Anne Dussourt. Philippa Smith is also aware of several levers that Symrise can use. “We will talk to suppliers about how they can use these materials to reduce the carbon footprint,” says the Sustainability Director. Symrise has a close relationship with producers, thus allowing the company to select the most sustainable suppliers. “We also decide for ourselves what we include in the portfolio and can therefore also pay attention to the CO_2 values. And we have a lot of influence on the creation process, in which we can put together the best possible compositions.” To that end, the team is rolling out the findings for all perfumers around the world to answer questions and also raise awareness of the topic.

More than

1,000

raw materials are actively used by Symrise for new fragrance compositions.

Philippa Smith and Anne Dussourt also put the work on the carbon footprint in perspective: “Sustainability is much more than just preventing greenhouse gases,” says Philippa Smith. “The topic is highly complex when we include the other dimensions of sustainability,” Anne Dussourt adds. In Madagascar, for example, where Symrise distills a range of natural substances, the focus is on social impact with the smallholder farmers, while in India the focus is on supporting farming communities through climate-smart agriculture, such as solar-powered irrigation. At the same time, natural substances have the disadvantage that they use large areas of land, but the advantage that they can support biodiversity. “We have to therefore always look at how we can improve products in all areas,” says Philippa Smith. To that end, the data will be optimized in the coming years as a basis, hence making more and more fragrance compositions more sustainable. “We’ll continue to work on the topic so that we can use increasingly better and more sustainable raw materials to develop sustainable creations,” says Anne Dussourt. “Our journey has only just begun.”

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Sustainability is much more than just preventing greenhouse gases.

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Dr. Philippa Smith,
Sustainability Director Scent & Care

From service provider to

In the past year, Symrise began restructuring its human resources function. In this interview, Dr. Stephanie Coßmann, the member of the Symrise Executive Board responsible for HR and Legal, describes how three functions are being combined into one to create a uniform global HR team for the entire Symrise Group. At the same time, Human Resources is working to introduce a software solution that will make things easier in the future for managers, employees and HR specialists and support the implementation of other future projects. In addition, three executives from the HR organization report on details of the HR strategy.

strategic business partner

Dr. Coßmann, you joined the Executive Board in February 2023 to take responsibility for the new HR and Legal function. After your first year, what is your impression of the corporate culture at Symrise and where do you see the challenges?

Symrise has a fantastic culture that impressed me from the start. It is the people and how they work together that make the difference. The company's employees have a very entrepreneurial mindset, with a pragmatic and hands-on approach to solving problems. They are sometimes hindered by what I see as the biggest challenge in our function. The strong growth and many acquisitions in recent years have changed the company but the structures and processes haven't quite kept pace. We lack a suitable framework for both HR and compliance.

What is your response to this?

In order to refocus on the company's employees, as we should do in our work, we need to create structures like a transparent salary structure that enables us to see what talents we have and track the performance of both our employees and business units. If we don't do this, we'll be stuck in silos. Our starting point is the tHRive project, which is aimed at making our HR organization fit for the future. A core element of this is harmonizing the framework and procedures for all the company's HR teams.

How will their work change?

We have established four Centers of Expertise covering "Talent Acquisition," "Compensation and Benefits," "Talent Management" and "Systems, Analytics and Sustainability." These are all future issues that impact the entire company.

This is certain to change the tasks of our HR colleagues. Could you give some examples?

The old ways of working are not adequate in the battle for new employees. Our recruiters now operate in global networks, using LinkedIn and other social media to identify future candidates. They are able to engage with them and hopefully attract them to join us. Another example: We are working on uniform remuneration structures and job titles to also facilitate the transfer of employees between regions. To date, there have been no standard assessment criteria in talent management and few talent programs. In order to implement all these plans, we are introducing Workday, a human capital management tool. The first module should be up and running by the end of the year. There's still a lot of work to be done before then in order to collate, analyze and process all the existing data within the company. The system will represent a quantum leap for us, enabling us to work faster, more transparently and with greater focus. It will also put us in a better position to achieve the fourth goal of our work. As part of our sustainability activities, we must intensify our reporting of HR indicators such as diversity and occupational safety and manage these accordingly.

It sounds as if a lot of effort is involved. Why is HR doing this?

We are living in an era in which companies have to compete for talents and not vice versa as used to be the case. People still want to be paid well for their work, but aspects such as a company's purpose, culture, products and teams are becoming increasingly important. We at Symrise have a lot to offer – and we aim to highlight this.

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A company's purpose, culture, products and teams are becoming increasingly important. We at Symrise have a lot to offer.

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Dr. Stephanie Coßmann,
President Human Resources & Legal

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We are currently in the transition phase toward a joint system with harmonized global standards that will be mapped in our Workday HR suite.

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Elke Kegelmann,
tHRive Program Manager

ON THE PATH TO "ONE HR"

As the Program Manager for tHRive, I am responsible for implementing the new structure for our HR function worldwide. In the past, we were very fragmented, with different roles, processes and standards in the various regions and segments. Now we are working on a new system that functions in all countries and organizations, no matter how big they are. The goal is "One HR," a global HR community. In this connection, we have redefined some roles. These employees will move from being generalists to specialists who perform a variety of tasks. They will provide global process support to their colleagues in the regions, who in turn will ensure that the processes are applied regionally. HR work is often governed by different rules depending on the country. Cultural circumstances vary, employment contracts may be structured differently and laws and regulations aren't the same everywhere. All this needs to be taken into account.

We are currently in the transition phase toward a joint system with harmonized global standards that will be mapped in our Workday HR suite. It is important that the entire team is on board with this. We are training some 200 employees who are all very experienced in their own fields and familiar with the specific features of their regions. It is remarkable to see the commitment demonstrated by our colleagues in all time zones and the expertise they are contributing to shape this change. We will be supporting them in familiarizing themselves with the new structure and working in a digitalized process landscape. One thing is clear: Such far-reaching changes require equally intensive support. And we also should not forget that it's a work in progress – and that's a great challenge. However, I'm very confident that we will achieve excellent results working with our colleagues and their teams.

Elke Kegelmann,
tHRive Program Manager

FOCUS ON EMPLOYEE SATISFACTION

In Workday, we have chosen a platform that will enable us to implement all our HR processes. On the one hand, this applies to our HR colleagues, who will be able to map the recruitment, talent management, HR planning and all other core processes in many different languages. It also applies to the company's employees. They will receive access to Workday, which is being implemented as a cloud solution, enabling them to consult their own data and documents and to obtain information about development opportunities. We want satisfied employees and Workday will help achieve this. It will also be a powerful tool for the company's executives. They will be able to analyze which talents they have in their organization, identify suitable development opportunities and plan further steps together with their employees. In a later expansion phase, this transparency will also increase mobility within the company.

By involving employees more closely in this way, we hope to keep them with the company longer. It is known that transparency and an open corporate culture can contribute to this. We are aiming to reach the entire workforce of some 13,000 employees, including those in production roles. That is why it was important to us that employees can also use Workday on their private cellphones – of course, in compliance with clear security rules.

At the moment, we are preparing the data and consulting on the processes worldwide. We are leaving behind a fragmented system landscape in which various systems previously ran in parallel. We now have to collect, validate and cleanse data so that we can make a fresh start with Workday. This will help Symrise to evolve successfully in the long term.

Abdou-Chakour Daro,
Head of Global HR Information Systems, Analytics & Sustainability

INTERFACE BETWEEN HR AND THE BUSINESS

In many companies, HR has the task of covering the backs of the people who work in business operations. The focus is on recruitment, employer branding, onboarding processes, contract design and training and development. These are all important tasks without which a company cannot function. At Symrise, we are now going one step further by becoming a strategic business partner which strengthens the link between HR and business strategies.

One example of this is strategic HR planning, which we intend to address with a stronger focus. We will be creating structures that enable us to document our employees' strengths worldwide. This will enable us to see where we need certain skills within the company and plan better for the next five years. It will also make it possible to improve the management of our business activities and facilitate the transfer of talents. As a result, we won't be a pure service function but will be involved in conception and design, working both with the individual segments and across the entire company. To this end, we have created new structures in which four HR Business Partners have regional responsibility while three others work globally across the different stages of the value chain. This close connection to the business is also evident in my case. I was formerly Director Category & Product Management in the APAC region; now I'm the Global HR Business Partner and a member of the Leadership team in the Taste, Nutrition & Health segment. We will use our experience to act as the interface, strengthening and developing the link between the business and HR.

Tanja Schrader,
Taste, Nutrition & Health Global HR Business Partner

FROM THE FIELD

TO THE LABORATORY

The technical research platform of AgroScience, which Symrise established in 2017, looks into new farming practices as well as harvesting and processing methods for plant-based raw materials. The team uses various different approaches in its work and combines them with know-how from other areas in collaborative efforts to develop the farming of the future, which will be of great benefit to the company.

INNOVATION AND DEVELOPMENT, CLIMATE

AND BACK

Esther-Corinna Schwarze deftly moves the lever to the right, opens the door of the environmental chamber and takes a step to the side. Warm air escapes. The small, brightly lit room houses containers from which supported green plants rise two meters high. “This is all vanilla, but different species or genotypes,” says Symrise’s master technologist for AgroScience, looking at the plants with their dark green leaves. She then closes the door to stop the temperature from dropping. In the adjacent environmental chamber is paracress. The view is similar, but on a smaller scale: knee-high plants with distinctive yellow, egg-shaped flowers, under LED lighting.

The two environmental chambers, a large greenhouse and another container are situated at the edge of the Symrise site in Holzminden, directly adjacent to Esther-Corinna Schwarze’s office. She heads up a relatively new research and development department within the Food & Beverage division: AgroScience, set up in 2017. Among other things, Esther and her three colleagues look into new plants and farming practices and putting the knowledge into practice.

Her work shows up in multiple different areas. Symrise has integrated its value chain backward in many places, for example with the vanilla in Madagascar or the onion in the area around Holzminden. “We work closely with the farmers who grow very specific varieties for us in clearly defined qualities at a certain price,” says Esther-Corinna Schwarze. For this to work, Symrise must understand the plants and their cultivation. This applies not only to existing collaborations; in the future too we want to cultivate new plants in which we have a particular interest. So it’s very helpful to have some understanding of the plants and their requirements,” says Esther-Corinna Schwarze. “Then we can pass on our knowledge to the farmers and obtain better results.”

One example of this is paracress, which grows mostly in Brazil where it goes by the name of jambú. “It is used to flavor food, but mostly for medicinal purposes, such as treating toothache,” says Esther-Corinna Schwarze. Paracress has a mild anesthetic effect and makes the mouth tingle. “It could be used, for example, in oral hygiene or to mask unwanted effects in certain foods.” Another objective could also be to cultivate paracress indoors as opposed to in fields in the tropics where it is currently grown. “This is also conceivable in the countries of origin. Then we could achieve a much better quality, cultivate the plants all year round and maybe even harvest multiple times a year,” says Esther-Corinna Schwarze. To this end, she tests different potting soils and substrates, fertilizers and light settings, for example. She analyzes root growth, to accelerate it, and also different harvesting and processing methods. “We test which ingredients we get from fresh or dried components and how they correlate to flowers, leaves and stems.

» We work closely with the farmers. «

Esther-Corinna Schwarze,
Master Technologist for AgroScience

symrise

Symrise grows its own seedlings from the stems of vanilla plants in nutrient solutions.

Indoor farming is of particular importance for Symrise. “It was given a boost in the 2010s as advances in LED technology made the requisite lighting affordable,” says Dr. Jakob Ley. “We have long been working on this and are currently concentrating on around 10 different varieties of plant that previously were hardly ever cultivated or only grow in the tropics,” explains the Director Research Biobased Ingredients. In addition to AgroScience, he is also responsible for four other research areas. “This means that we can farm and analyze more unusual varieties here in Holzminden.”

One challenge was to obtain the plant material in the first place. “The Nagoya Protocol seeks to safeguard biodiversity, particularly in emerging and developing countries, and prevents the exploitation of natural resources,” explains Ley. “We therefore only have plant offspring obtained from the countries of origin as per the Nagoya Protocol or that were available and freely traded in Europe prior to its introduction in 2014, for example in nurseries, but also research facilities or botanical gardens.” For further research, Symrise also makes use of seedlings.

Ley is keen to point out that the countries of origin too will benefit from the work at a later date. For example, the team is working on improving their understanding of when the vanilla buds blossom. “The small farmers in Madagascar must check all the plants every morning during the growing season. The orchids only bloom for one day and the farmer must pollinate them by hand,” says Ley of the time-consuming work. “If we understand how this process works in the plant, how we can predict it and maybe even shorten it, that would be a great help.” Symrise is also experimenting with light and moisture control. The researchers analyze leaves, roots and stems to try to gain a better understanding of the phytohormones that, as signaling molecules, regulate the development of the plants. The team is also investigating infections in the vanilla plant caused by fusarium. The sac fungi are responsible for the loss of 30 % of plants in the plantation. “We experiment with different irrigation methods or substrates that could prevent the fungus from growing,” says Ley. The findings will then also be passed on to the farmers in Madagascar.

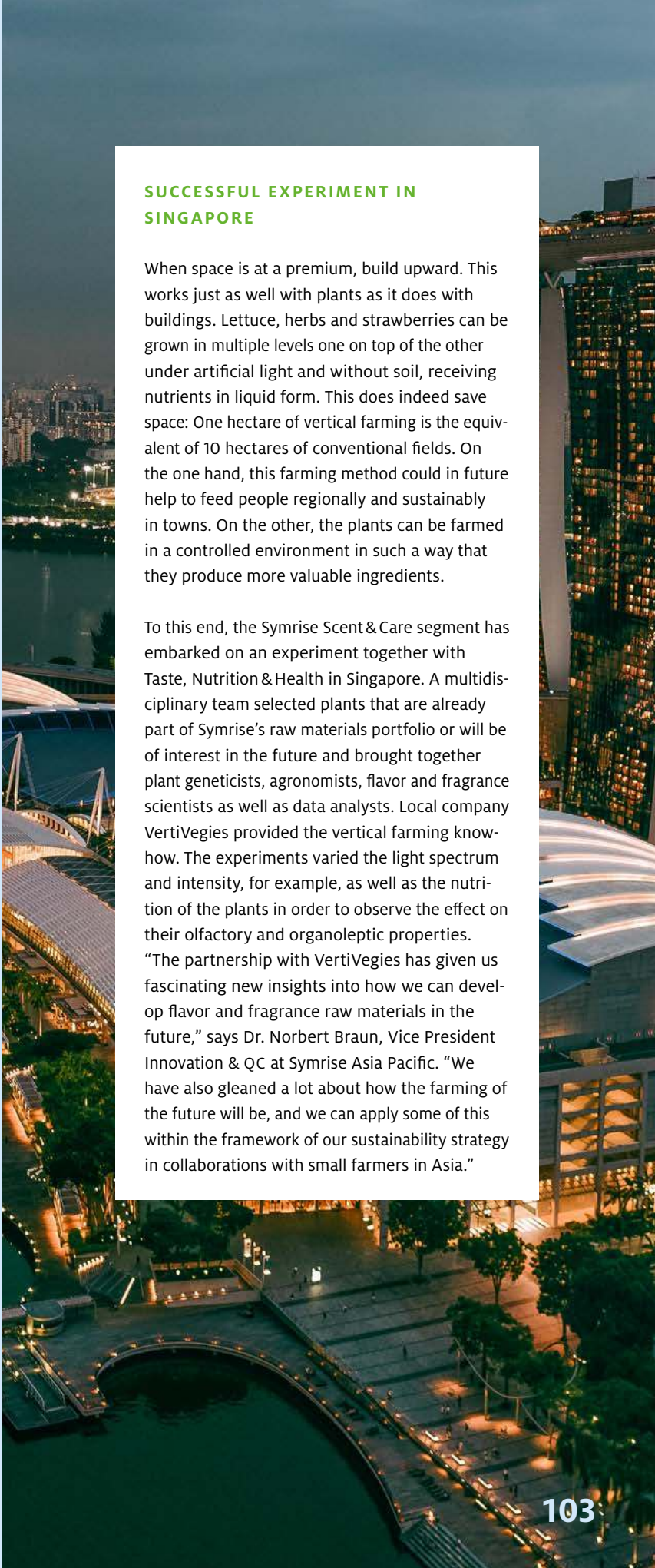
For Jakob Ley, AgroScience is here to stay, and his platform works closely with other research departments. There are collaboration projects in place with universities and other industrial partners, with know-how and analytical equipment being shared. For Dr. Gerhard Krammer too, AgroScience is inextricably linked to Symrise. “We have a long tradition of processing natural substances. We synthesized the

» We have a long tradition of processing natural substances. «

Dr. Gerhard Krammer,
Head of Research & Technology in the Taste, Nutrition & Health segment

first vanilla from conifer 150 years ago. Today, we buy natural substances from all over the world," says the head of the Research & Technology division in the Taste, Nutrition & Health segment. And he believes it makes perfect sense to also conduct research in farming. "If we combine the growing methods of biotechnology with modern farming practices, we can produce better harvests and better quality. We also prevent waste and develop innovative products, thereby becoming increasingly sustainable." Krammer sees indoor farming as key in this regard. "With defined growing environments and modern analytical technology, we can undertake more structured experiments to produce the best farming conditions." These must also take into account how different plant species are cultivated, how the ingredients of these plants are optimized and how the growing season is extended.

But the goal is always the same: "Symrise currently uses around 1,500 to 2,000 botanical raw materials that must primarily be extracted and processed. So it is important to develop products with particular properties that have an unmistakable smell, taste and effect," says Gerhard Krammer. One example for this is the onion. Symrise has worked with farmers in the region to optimize methods to such an extent that the extract is exported as far afield as Japan. "We have cultivated a very reasonably priced raw material in such a way and in such formulations that it is unmistakable." Gerhard Krammer sees further work on raw materials in AgroScience as essential. "It gives us such a unique selling proposition that we can achieve sustained success."



SUCCESSFUL EXPERIMENT IN SINGAPORE

When space is at a premium, build upward. This works just as well with plants as it does with buildings. Lettuce, herbs and strawberries can be grown in multiple levels one on top of the other under artificial light and without soil, receiving nutrients in liquid form. This does indeed save space: One hectare of vertical farming is the equivalent of 10 hectares of conventional fields. On the one hand, this farming method could in future help to feed people regionally and sustainably in towns. On the other, the plants can be farmed in a controlled environment in such a way that they produce more valuable ingredients.

To this end, the Symrise Scent & Care segment has embarked on an experiment together with Taste, Nutrition & Health in Singapore. A multidisciplinary team selected plants that are already part of Symrise's raw materials portfolio or will be of interest in the future and brought together plant geneticists, agronomists, flavor and fragrance scientists as well as data analysts. Local company VertiVegies provided the vertical farming know-how. The experiments varied the light spectrum and intensity, for example, as well as the nutrition of the plants in order to observe the effect on their olfactory and organoleptic properties. "The partnership with VertiVegies has given us fascinating new insights into how we can develop flavor and fragrance raw materials in the future," says Dr. Norbert Braun, Vice President Innovation & QC at Symrise Asia Pacific. "We have also gleaned a lot about how the farming of the future will be, and we can apply some of this within the framework of our sustainability strategy in collaborations with small farmers in Asia."

FASTER,

With the IGNITE program, Symrise's Taste, Nutrition & Health segment is reinventing the approach to innovation. The aim is to greatly accelerate the pace at which products and solutions are developed and commercialized in the future. To achieve this, a team of experts from all areas of the organization was put together to redesign a future-fit innovation model that complements existing successful mechanisms.

GOOD CORPORATE GOVERNANCE, INNOVATION AND DEVELOPMENT

F A R

HIGHER,

"We have always been an innovative company," says Nick Russell, "and now we are going further. With our IGNITE program, we aim to make our innovation approach even better." The Briton is a member of the Leadership Team of Symrise's Taste, Nutrition & Health segment and is now responsible for the innovation program that was launched in 2023 with the aim of further increasing Symrise's growth and profitability.

There are many reasons for introducing this new way of thinking and acting. "At the moment, the world is changing very rapidly – with a corresponding impact on consumers' needs and wishes," says Nick Russell. "Our customers expect us to deliver unique solutions that make a difference. They want to be able to use these solutions immediately, irrespective of whether they address sustainability issues, new product design challenges or trends such as vegan alternatives and natural foods." At the same time, development is moving toward open innovation in collaboration with partners such as suppliers, customers and external experts – an approach that Symrise is also seeking to strengthen. Lastly, the company aims to break down information silos, connect unrelated innovation pipelines and make better use of its own resources.

To respond to customers' wishes and, at the same time, be a first mover in other areas, Taste, Nutrition & Health must go down new paths. "It is important that IGNITE does not overturn those things that were already good but that we develop a complementary approach. We will continue to invest in proprietary design and new molecules," says Nick Russell. That is why the Taste, Nutrition & Health segment launched IGNITE as a very open-ended initiative. The entire organization was involved and around 250 experts from all regions and functions were canvassed. The findings were then evaluated and analyzed. In the next step, a core team of around 60 employees devised a viable process. "We established four working groups to look at strategy, processes, implementation and finance," explains Betty Fan, the IGNITE program lead. Throughout 2023, the team collaborated closely to deliver the design of our renewed approach.

T H E R

The next phase of the program will be starting in 2024. Aptly named SPRINT, moving from the former IGNITE design phase, to the implementing and learning phase. It will collect and implement the first ideas. “It’s about being fast and agile and about shortening development times, which until now could take up to anywhere between 18 to 24 months,” says Betty Fan. Traditionally, we have used our own technologies to innovate on behalf of our major customers and we were highly successful. Now, a growing number of companies – including smaller ones – are coming to us with projects to implement with much shorter launch time expectations,” explains the program lead. One example of this are new beverage concepts such as the sustainable energy drinks from German start-up Holy, which are taking the market by storm thanks to their entirely natural fruit flavors and colorants, very low sugar content and the absence of taurine and extenders. Although these products were not created with the aid of IGNITE, this kind of collaboration is a great example of what we will be looking for more in the future. “The team met us via an innovation hub for food and beverage start-ups with which we cooperated closely,” says Betty Fan. “Working with the start-up’s founders, our colleagues developed and commercialized concepts in a very short time.”

According to Nick Russell, speed is a crucial factor in success. “We have learned that we sometimes stay wedded to ideas for too long and try to translate them into products, even if markets, customers and trends have long since moved on. IGNITE is intended to change that. With IGNITE, we want to encourage people not to fall in love with their first ideas and to start getting more comfortable with ‘failure’ – as a very important step of the process,” says Russell. The aim is to continuously question the innovation process in a structured way to reduce the use of resources and achieve greater success rates. “Our priority is to focus on the right ideas,” says Russell. “It’s okay to make mistakes but we need to be faster at recognizing them.”

In the same way as the creation of IGNITE, implementation will involve employees from all regions and functions. “We aim to move from an organization structure-driven approach to a much more project-driven approach, and equip the project team with the best experts no matter where they sit. This will enable us to accelerate processes and view innovation from the perspective of the entire value chain,” says Betty Fan. This should yield service and process innovations as well as product innovations.

60

employees made up the core team that devised a viable process.

One especially important aspect of IGNITE is change and communication, a primary task for Kaylee Pretorius, change management practitioner for the program. One important point to emphasize is that this is not only a process change, but a cultural and mindset change. “Our team is committed to engaging and supporting all employees in this transformation”, says Kaylee Pretorius, who will be leading the communication materials and rollout campaign. “We are continuously learning where our employees stand and where the changes need to be communicated.”

With support from the core team, events and training sessions are in motion to develop the future platform for innovation that will also be opened externally to customers and suppliers. “We will provide clearly defined channels that can be used to share and evaluate ideas before they are implemented,” says Kelvin Bartley, Global Project Management Officer for the program. Artificial intelligence and automation will be used to analyze the large data volumes and make them usable.

IGNITE is to be introduced across the Taste, Nutrition & Health segment in the coming months. The team is collaborating with all the business units to achieve this and is also working on synergies with the Scent & Care segment. Taste, Nutrition & Health has an ambitious goal, as Nick Russell explains: “Our sales currently stand at around three billion. In the years ahead, innovation will be a critical enabler in contributing to growing the sales of products and services from innovation streams to a share of between 10 and 20 % – in addition to the innovations that we are already bringing to market.”

»

Working with the start-up's founders, our colleagues developed and commercialized concepts in a very short time.

«

Betty Fan,
Global Strategic Development Senior Director

»

With our IGNITE program, we aim to make our innovation approach even better.

«

Nick Russell,
Senior Vice President, Strategic Development & Business Incubation

»

Our team is committed to engaging and supporting all employees in this transformation.

«

Kaylee Pretorius,
Manager of Strategic Planning and Growth Opportunity

Symrise India supported the clean-up of a pond in the Indian community of Sithalapakkam. In another project, lights were installed on a heavily used street.

Facets of sustainability

Symrise has broken down its sustainability activities into four areas: footprint, sourcing, innovation and care. With them, the company reaches the sustainability goals of the United Nations and hits its own sustainability targets around the world. Examples from a broad array of areas show how and where Symrise acted in 2023 – from projects in India and certifications in Madagascar to preparations for complying with the Corporate Sustainability Reporting Directive of the European Union.

SOCIETY AND CLIMATE

Better water, more light

At the company's location in India, Symrise joined forces with an NGO called the United Way of Chennai to provide support to the community. Both projects were part of SMETA 4-Pillar audits.

A nondescript pond is located in Sithalapakkam, a community that is just five kilometers from the location of Symrise India. The pond is called Nalla Thanni Kulam and once played a key role in the lives of the 400 families who live in the neighborhood: Residents spent their leisure time here and used the rainwater captured by the pond to drink and use at home. In recent years, though, maintenance of the pond stopped.

Symrise India, the local community and the United Way of Chennai have now taken the initiative and thoroughly cleaned Nalla Thanni Kulam with the goal of making it usable once again. The United Way of Chennai is an NGO that is active in such areas as the environment, education and health. The pond was dredged and desludged. A nature path leading around the pond was created. A play area for children was built, and benches and solar-powered lights were installed.

The project in India is just one of many that Symrise is conducting in the immediate neighborhood there. This project and several others were honored during the SMETA 4-Pillar audit that the company conducted. The abbreviation stands for Sedex Members Ethical Trade Audit. Under this program, companies commit themselves to joining the SEDEX (Supplier Ethical Data Exchange) and providing information about ethically sustainable production in the supply chain. The SMETA 4-Pillar audit focuses on four areas: labor standards, health and safety, the environment and business ethics.

Another project in India is being conducted on a heavily used road that runs through Sithalapakkam. The road was unlighted. People felt unsafe at night, and a large number of accidents occurred. Symrise supported the installation of 100 streetlights, also with the help of the United Way of Chennai. The highlight of it all: The lights are solar powered and are exceptionally sustainable as a result.

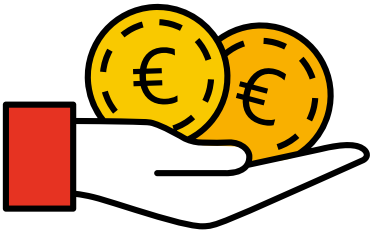
In India, the team at Symrise India extended a helping hand to several communities near the company's plant.

Madagascar: 52 ingredients UEBT-certified

Symrise works with about 7,000 farmers in Madagascar. The company turns their raw materials into things like essential and plant oils. Fifty-two of these ingredients have now been certified by the Union for Ethical BioTrade (UEBT). The UEBT is an international nonprofit organization that promotes the responsible sourcing of natural raw materials. Companies that are members of the association take steps to assure good working conditions along the supply chain and protect biodiversity.

Ready for the CSRD

In November 2022, the EU Parliament passed the Corporate Sustainability Reporting Directive (CSRD), a regulation that will significantly change the sustainability reporting that companies do. The directive requires the environmental and social impact of business activities to be disclosed. Companies must also detail their sustainability strategies and objectives as well as the impact of sustainability issues on their business situation. The report must also meet the high European Sustainability Reporting Standards (ESRS). In preparation for the new directive, Symrise conducted a materiality analysis that meets the requirements of the CSRD/ESRS in 2023. The focal points covered by this analysis were largely the same ones addressed during the previous year. In mid-2023, an internal working group led by the Executive Board was set up for the purpose of carrying out the requirements of CSRD/ESRS.



Wages

Symrise considers appropriate and fair remuneration to be a human right that applies to all employees worldwide. We are therefore currently evaluating various benchmarking methods for living wages, which we plan to use in selected pilot countries in 2024. Building on these pilot projects, we will develop a roadmap and action plan to ensure that we pay all our employees the living wage by 2030.

Turning the old into new

AfB gGmbH has collected 3,574 IT and mobile devices at Symrise over the past five years and given them a new lease of life. Symrise helps Europe's largest non-profit IT company to sustainably use computers, smartphones and other electric devices. AfB deletes the data, tests the hardware, orders replacement parts as well as cleans and repairs the devices. It has reintroduced 78 percent of them to the market. This has saved 372 tons of CO_2, 2.5 million liters of water and nearly 1.5 million kilowatt hours of primary energy. Thanks to its partnership with Symrise, AfB gGmbH has also been able to hire an individual with a disability.

Jurij Deperschmidt from AfB presents the certificate for successful collaboration to the Symrise team.

03

From the

Group Management Report & Consolidated Financial Statements

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Symrise at a glance
always inspiring more ...

SEGMENTS

Taste, Nutrition & Health				Scent & Care		
Food & Beverage	Pet Food	Aqua Feed	Probi	Fragrance	Cosmetic Ingredients	Aroma Molecules

DIVISIONS

Symrise provides exciting flavor and fragrance experiences, and offers sustainable solutions for food production based on natural starting materials. This is our mission. With commitment and innovative strength, we develop the best possible concepts for our customers' products. We do this so consumers around the world can take pleasure in the most common experiences of everyday life and additionally benefit from healthy or nurturing properties. With its creativity and entrepreneurial energy, Symrise opens up further potential with a third of its business being generated via cosmetic active ingredients and raw materials, functional ingredients, pet food, aquacultures and probiotics. Our wide range of activities offers new chances for growth, stabilizes performance and provides Symrise with an unmistakable profile.

Symrise's Value Chain

Raw materials

- Natural ingredients
- Petro-based raw materials

Product development

- Natural extracts
- Functional ingredients
- Compositions

Manufacturing process

- Extraction
- Distillation
- Chemical processes
- Encapsulation technologies
- Mixes

Customers

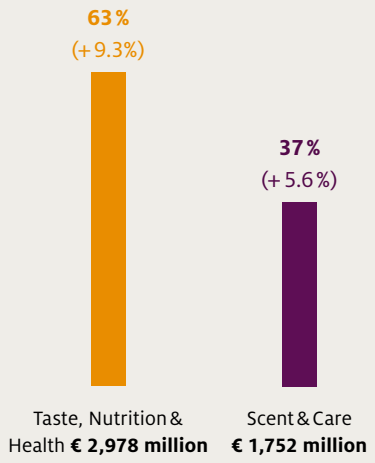
Manufacturers of:

- Foods
- Beverages
- Perfumes
- Cosmetics
- Oral care products
- Household products
- Pet food
- Technical applications

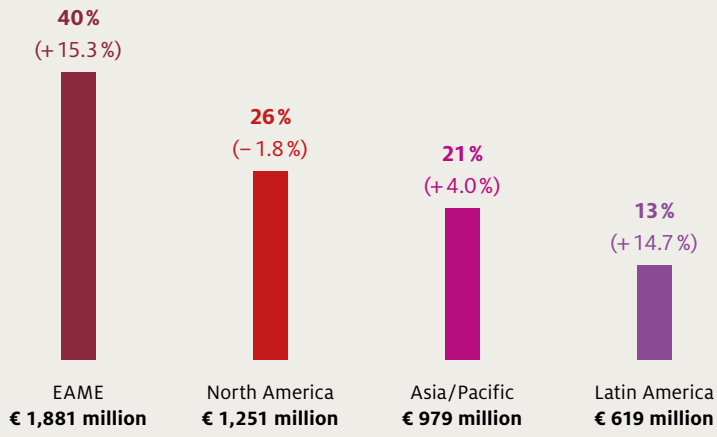
Consumers

2023 Highlights
Strong organic sales growth

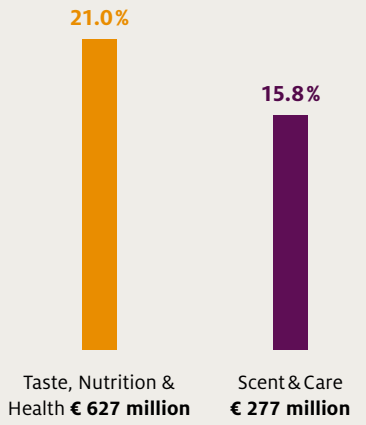
Sales by segment
as % of Group sales and organic growth in %



Sales by region
as % of Group sales and organic growth in %

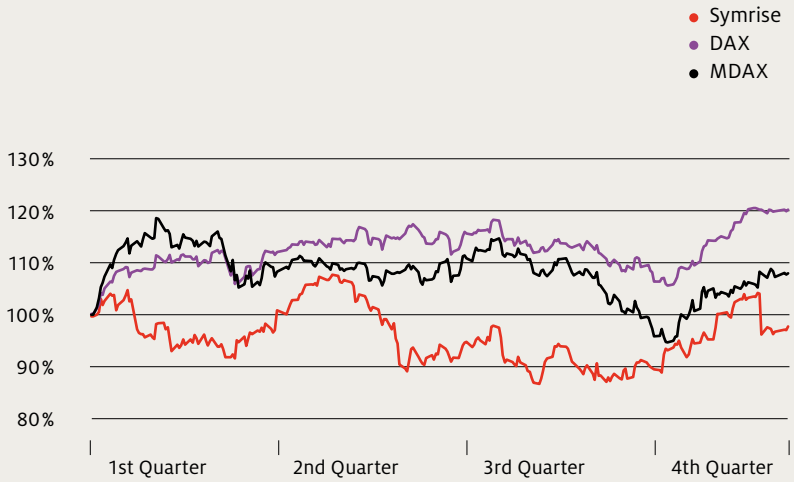


EBITDA[1] (margin) segments
as % of Group sales



1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments

Share price development
of the Symrise stock in 2023



Figures, data, facts
2023

More than

12,000

employees in
40 countries

€

Market capitalization
€ 14 billion

7.9 %

Organic growth

Earnings per share
€ 2.44

EBIT [1]
€ 611 million
EBIT margin [1] 12.9 %

More than **6,000** customers in over 150 countries

Sales

€ 4,730 million

Dividend proposal

€ 1.10

per share

"2023 was once again a successful year of growth impacted by difficult market conditions."

Net income

€ 340

million

Highly profitable EBITDA margin 2006 – 2023 between 19 % and 22 %

EBITDA[1]

€ 903 million

EBITDA margin[1] 19.1 %

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments

Basic information *on the Symrise Group*

Strategy

Vision

Growth
- Growth in emerging markets
- Maximization of customer spectrum
- Targeted innovation

Efficiency
- Specific efficiency programs
- Optimization of raw materials portfolio

Portfolio
- Expand competencies outside the traditional flavor and fragrance industry
- Acquisitions

Sustainability

Values

Goals

Financial goals

5 – 7 % p.a. (CAGR) Organic sales growth (until 2028)

EBITDA margin 20 – 23 % (until 2028)

Business Free Cash Flow: 14 %

Customer portfolio mix: global, regional, local 1/3 each

Cross-divisional connection of products and technologies

Complementary operative goals

Sustainability

Our sustainability agenda

FOOTPRINT

Minimize our environmental footprint along the value chain

INNOVATION

Maximize positive social & environmental impacts of our products

SOURCING

Maximize the sustainability of our supply chain and sourcing of our raw materials

CARE

Improve well-being in our stakeholder communities

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise is a global supplier of fragrances and flavorings, cosmetic active ingredients and raw materials, functional ingredients and product solutions for food production based on natural base materials. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food.

With sales of € 4.7 billion in the 2023 fiscal year and a market share of around 12 %, Symrise is one of the leading global suppliers. Headquartered in Holzminden, Germany, the Group is represented in more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The roots of Symrise date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise shares have been listed in the Prime Standard segment of the German stock exchange in Frankfurt/Main. With a market capitalization of around € 14 billion at the end of 2023, Symrise shares have been listed on the DAX® index since September 2021. Currently, about 90 % of the shares are in free float.

Operational business is the responsibility of the Taste, Nutrition & Health and Scent & Care segments.

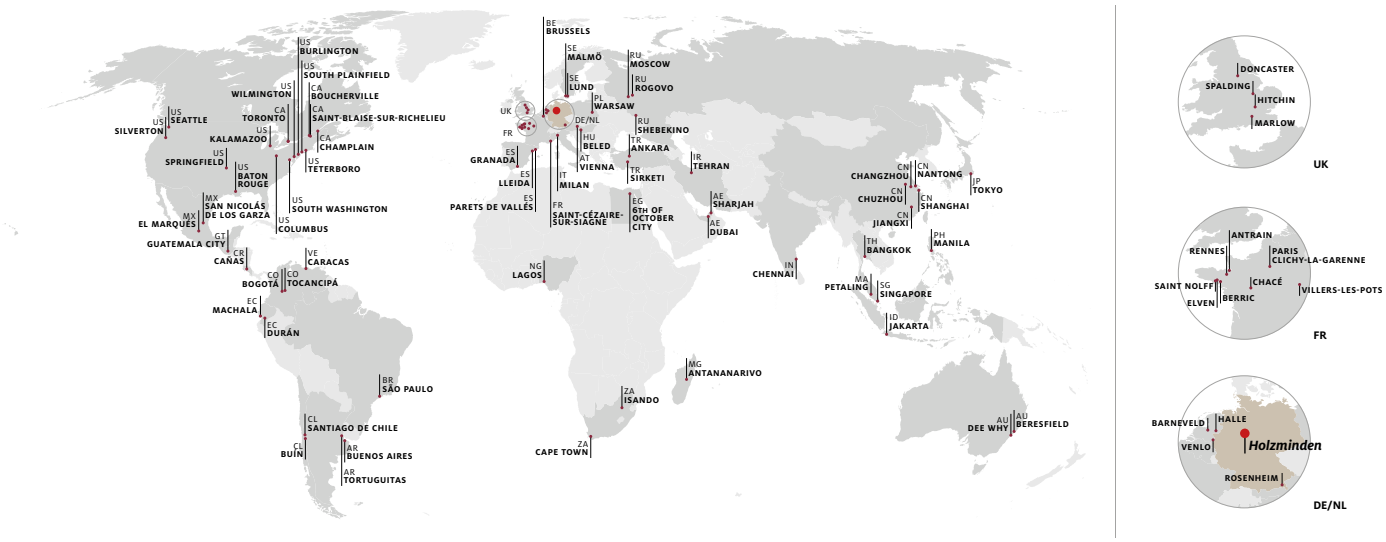
The Taste, Nutrition & Health segment includes the Food & Beverage and Pet Food divisions as well as the two smaller units Aqua Feed and Probi. The Scent & Care segment includes the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

The business activities of the Group are organized into four regions: Europe, Africa and Middle East (EAME), North America, Asia/Pacific and Latin America.

The Group has a Corporate Center in which the following central functions are carried out: Accounting, Controlling, Taxes, Treasury, Corporate Communications/Sustainability, Investor Relations, Legal Affairs, Human Resources (HR), Group Compliance, Corporate Internal Audit and Information Technology (IT). In Germany and France, other supporting functions such as technology, energy, safety, environment and logistics are bundled in independent Group companies. These also maintain business relationships with customers outside the Group.

Symrise AG is headquartered in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,600 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. Symrise has regional headquarters in Germany (Holzminden), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore. Important production facilities and development centers are located in Germany, France, Spain, Brazil, Mexico, Singapore, China, India, Japan and the USA. Symrise has sales branches in 40 countries.

Symrise sites 2023



● Global headquarters ● Regional headquarters • Symrise sites

MANAGEMENT AND OVERSIGHT

Symrise is a German stock corporation with a dual management structure consisting of an Executive Board and a Supervisory Board. The Executive Board is responsible for managing the company with the primary goal of increasing the company's value in a sustainable manner. The Supervisory Board acts as a counterbalance and oversees the Executive Board's management activities. This oversight function is not only retrospective but also relates to providing advice to the Executive Board going forward. Executive Board management activities may not be transferred to the Supervisory Board, which oversees and advises the Executive Board in the management of the company and regularly discusses business development, planning, strategy and risks with the Executive Board.

As of the end of the reporting period (December 31, 2023), the Executive Board of Symrise AG had five members: Dr. Heinz-Jürgen Bertram (CEO), Dr. Jörn Andreas (President Scent & Care), Dr. Stephanie Coßmann (Head of Human Resources & Legal and Labor Director), Olaf Klinger (CFO and IT) and Dr. Jean-Yves Parisot (President Taste, Nutrition & Health).

The Symrise AG Supervisory Board has twelve members. In compliance with the German Codetermination Act, the Symrise AG Supervisory Board has an equal number of shareholder and employee representatives. The Supervisory Board has formed four committees to increase the efficiency of its work. At present, the following shareholder representatives have been elected to the Supervisory Board for the period until

Supervisory Board
Chairman: Michael König

CEO	President Scent & Care	President HR & Legal	Chief Financial Officer & IT	President Taste, Nutrition & Health
Dr. Heinz-Jürgen Bertram	Dr. Jörn Andreas	Dr. Stephanie Coßmann	Olaf Klinger	Dr. Jean-Yves Parisot

the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2024: Ms. Ursula Buck, Managing Director of BC BuckConsult, Possenhofen; Mr. Bernd Hirsch, CFO of COFRA Holding AG, Gütersloh; Mr. Michael König, Chief Executive Officer of Nobian Industrial Chemicals B.V., Iserlohn; Prof. Dr. Andrea Pfeifer, CEO of AC Immune S. A., St. Légier, Switzerland; Mr. Peter Vanacker, CEO of LyondellBasell Industries N.V., Houston, Texas, USA; and Mr. Jan Zijderveld, professional supervisory board member, London, UK.

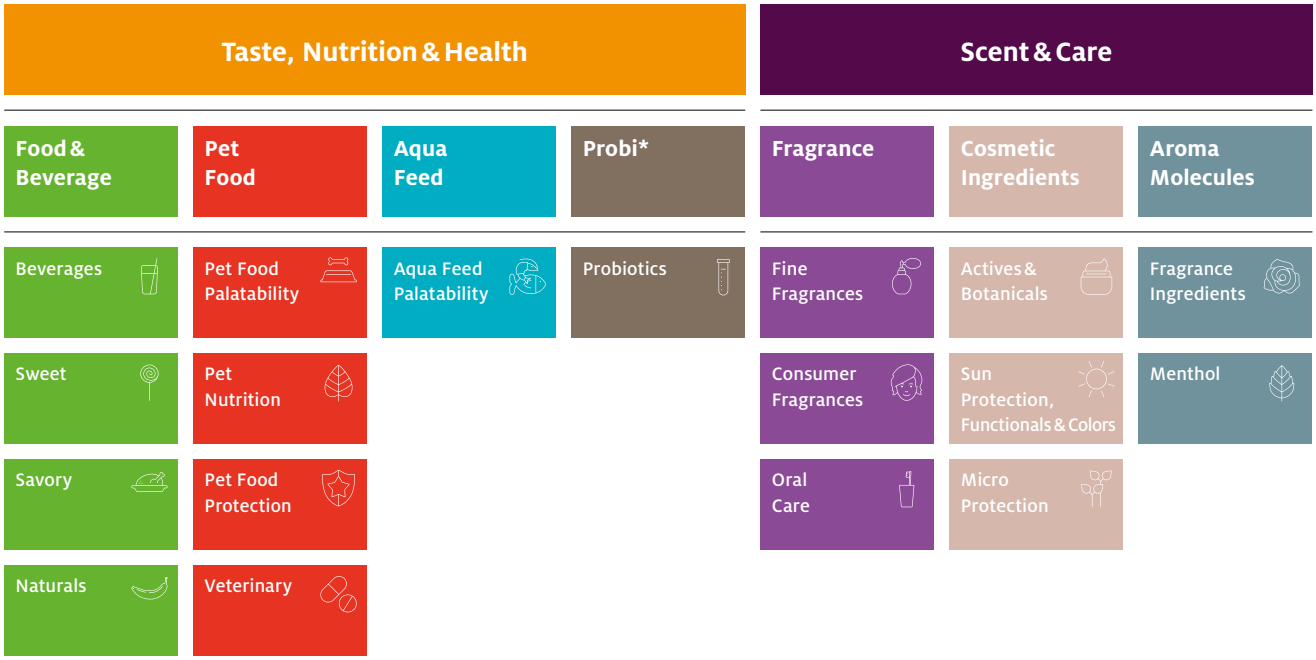
The following five employee representatives have been elected to the Supervisory Board from among the German staff in compliance with the legally prescribed election process for the period until the end of the Annual General Meeting that rules on the approval of actions for fiscal year 2024: Ms. Jeannette Chiarlitti, IG BCE General Secretary of the Northern District, Salzgitter; Mr. Harald Feist, Chairperson of the Works Council and the General Works Council of Symrise AG, Holzminden; Mr. André Kirchhoff, independent member of the Works Council of Symrise AG, Bevern; Dr. Jakob Ley, Director Research Biobased Ingredients, Research & Technology, Food & Beverage, Taste, Nutrition & Health at Symrise AG, Holzminden; and Ms. Andrea Püttcher, Deputy Chairperson of the Works Council and Vice Chairperson of the General Works Council of Symrise AG, Bevern. As directed by the Local Court of Hildesheim on June 13, 2023, Mr. Malte Lückert, Secretary of the IGBCE Executive Board responsible for Economic, Sectoral and Collective Bargaining Policy and HR, Rodenberg, was appointed as a member of the Supervisory Board in accordance with Section 104 of the German Stock Corporation Act (AktG).

Details on cooperation between the Executive and Supervisory Boards as well as on corporate governance at Symrise can be found in the Supervisory Board and corporate governance statements.

BUSINESS ACTIVITIES AND PRODUCTS

Value chain of Symrise

Symrise manufactures about 35,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of the two segments extends across research and development, purchasing, production, and the sale of products and solutions. Natural ingredients, flavors, perfume oils and active ingredients are generally central functional components in Symrise customers' end products and are often a key factor in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste, value creation at Symrise lies in the development of products with additional benefits. Examples of how food ingredients and perfume oils are combined with other innovative components include flavors that enable the sugar or salt content of foods to be reduced or a moisturizing cosmetic ingredient that lowers the preservative content in care products.



* Majority shareholder in the Swedish company Probi AB

On the basis of these products, Symrise customers can set themselves apart from competitors with their tailor-made end products in the rapidly changing consumer goods market. The extensive research and development (R & D) undertaken at the company, which is supplemented by a wide-reaching external network of partnerships with research institutes and scientific facilities, forms the basis of product development. Given the strong differences in sensory preferences from region to region, comprehensive consumer research is also an important part of the R & D activities at Symrise.

CORPORATE STRUCTURE

The customers of Symrise include large, multinational companies as well as important regional and local manufacturers of food, beverages, pet food, perfumes, cosmetics, personal care products and cleaning products as well as laundry detergents.

The various product solutions are manufactured at our own production plants. In some cases, longer-term delivery contracts are in place for obtaining important raw materials. Symrise maintains close ties with its suppliers and establishes uniform standards to guarantee that the quality of its base materials remains the same.

Taste, Nutrition & Health

The Taste, Nutrition & Health segment has sites in 38 countries and sells its nearly 19,000 products in 148 countries. Taste, Nutrition & Health aims to make life better and healthier. As an augmented flavor house, the segment uses its combined know-how and scientific research to offer customers and partners solutions in the areas of taste, nutrition and health that are sustainable and based on natural ingredients. Symrise offers responsibly sourced ingredients treated with gentle proprietary processes utilizing IP and differentiated technologies to create flavorful, nutritious and healthy solutions. With more than 100 sites around the world, the segment serves the markets of the food and beverage industry as well as pet and fish food producers.

Taste: The taste of products remains a top priority for consumers. The sophisticated ingredients offered by Symrise ensure that consumers have holistic, authentic and intense taste experiences.

Nutrition: Consumers are aiming for a balanced diet; Symrise provides special nutrients to improve the nutritional profile of the final recipes.

Health: Consumers are increasingly realizing that food also contributes to health. Symrise develops specific active solutions for the desired health benefits.

The segment is divided into two core areas – Food & Beverage and Pet Food – as well as the two smaller Aqua Feed and Probi units.

Food & Beverage: Working closely with food producers, the division develops taste solutions and differentiated ingredients that meet the needs of consumers for naturalness and incomparable taste experiences. The division supplies individual tonalities and complete solutions for use in the final product, which, apart from the actual taste, can contain additional functional ingredients to protect taste and promote health. The Food & Beverage division's range comprises more than 14,000 products marketed by four business units.

Beverages: With global expertise in non-alcoholic and alcoholic beverages, Symrise advises and supports the international beverage industry. The authentic and innovative taste solutions from Symrise are used in soft drinks, juice beverages, tea and coffee products, spirits and fermented beverages.

Sweet: Symrise creates innovative taste solutions for sweets, chocolate, chewing gum, baked goods, cereals, ice cream, milk and milk alternatives.

Savory: The savory flavors developed by Symrise are used in two main categories – in Culinary for soups, sauces, ready meals, instant noodles and meat products and Snack Food with seasonings for snacks. In both categories, Symrise can rely on its core flavor expertise in meat and vegetables, which is characterized by modern food technology and research as well as sustainability.

Naturals: The division offers a wide range of innovative, natural and sustainable ingredients for the above-mentioned business units, including products for baby food and dietary supplements. In-house agronomists carefully select raw materials and apply responsible sourcing practices to preserve the best natural qualities of conventional and organic fruit, vegetables, meat, seafood, vanilla and plants. Gentle industrial processing methods combined with technological know-how are used to provide standardized clean label ingredients for food products that ensure safety, the highest quality and traceability along the entire value chain. Consequently, Symrise customers can optimize their products in terms of their taste performance, health benefits, sensory properties and shelf life.

Pet Food: The division offers high-quality, sustainable solutions for pet food manufacturers worldwide that ensure the well-being of pets and the satisfaction of pet owners. These solutions include numerous products and services for improving taste and pets' acceptance of foods, achieving pet food safety and for animal health. The division comprises three business units: Pet Food Palatability, Pet Nutrition and Pet Food Protection. Following the idea of "the closer, the better," Symrise serves its customers from more than 30 locations around the globe. In order to conduct research on feed acceptance, feeding behavior and the interactions between pet owners and pets, the division maintains four development centers housing around 1,100 dogs and cats.

Aqua Feed: The scope of the Aqua Feed business unit includes sustainable ingredients and services that enable fish feed manufacturers to develop high-performance and reliable solutions for fish and shrimp farms. In doing so, the business unit relies on a global network of science and technology experts.

Swedish company Probi, in which Symrise holds a majority interest, develops, produces and markets effective probiotics for food supplements and functional foods. Probi specializes in handling live bacterial cultures, from research and development through to the production process. This makes the health-promoting effects of probiotics accessible to the general public.

The segment also operates a Business Incubation Group (BIG), which aims to explore, promote and accelerate new and existing business ideas to support the growth of the segment and prepare it for the future. Currently, the incubator includes platforms researching sugar reduction, food protection, flavor enhancement, modern proteins, citrus flavor profiles and the consistent use of by-products.

Scent & Care

The Scent & Care segment has sites in more than 30 countries and markets more than 16,000 products in 133 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in various applications:

Fragrance: The Fragrance division employs highly talented and renowned perfumers of various nationalities at 13 creative centers worldwide (for example, in Paris, New York, Mexico City, Shanghai, Dubai, São Paulo, Barcelona, Singapore and Mumbai). They combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). Symrise's creative and composition business comprises three global business units: Fine Fragrances, Consumer Fragrances and Oral Care:

Fine Fragrances: The Fine Fragrances business unit designs modern, high-quality perfumes. Symrise is creating new, exciting fragrance experiences with a rich pipeline of its own fragrances. The company has also expanded its range of high-quality natural ingredients for fine fragrances under the Lautier brand.

Consumer Fragrances: The Consumer Fragrances business unit includes products for personal care and household products. Symrise uses state-of-the-art technology to combine functionality and fragrance experience.

Oral Care: The Oral Care business unit covers a wide range of products from toothpaste and mouthwashes to chewing gum. For this, Symrise offers the entire range of classic mint flavors and their intermediate products, as well as modern cooling agents. In this area, the business unit can utilize Symrise's backward integration in mint flavors.

Cosmetic Ingredients: The portfolio of the Cosmetic Ingredients division includes active ingredients, modern solutions for product preservation, pioneering protection against solar radiation and negative environmental influences, innovative ingredients for hair care, inspiring plant extracts, high-performance functionals and tailor-made cosmetic colors. The division's unique approach is based on more than 100 years of experience in the development and marketing of cosmetic raw materials. In addition, the division is able to combine the best of nature, science and chemistry as well as skin and hair biology. Based on intensive consumer research, the division understands the needs of modern consumers. The research centers in Holzminden, in Paris, France, and in São Paulo, Brazil, work closely with the respective regional sales and application technology teams to offer customers and consumers tailor-made solutions and products for different regional requirements. The Cosmetic Ingredients division is a recognized innovation leader that has received 37 innovation awards for new substances over the past ten years. During the same period, 172 patent applications were filed, 16 of them in 2023 alone.

Aroma Molecules: The division includes the Menthols and Fragrance Ingredients business units. In the Menthols business unit, Symrise manufactures nature-identical menthol, which is primarily used in manufacturing oral care products, chewing gum and shower gels. Fragrance Ingredients manufactures aroma chemicals (intermediate products for perfume oils) of especially high quality. These aroma chemicals are used both in the production of perfume oils at Symrise as well as marketed to companies in the consumer goods industry and other companies in the fragrance and flavor industry. This business unit additionally offers terpene-based products obtained from renewable and sustainable raw materials.

MARKET AND COMPETITION

MARKET STRUCTURE

The Symrise Group is active in many different markets around the world. These include the traditional market for flavors and fragrances (F & F market), which grew from € 31.2 billion in 2022 to € 32.0 billion in 2023, according to calculations made by the IAL Consultants market research institute (13th Edition, September 2022). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which grew from € 7.8 billion in 2022 to € 8.0 billion in 2023, according to IAL reports (3rd Edition, December 2022). Together, these markets are also referred to as the AFF market, which would have a volume of € 40.0 billion. This market will grow by around 3 % to 4 % in the long term. However, in 2023, the relevant market grew by only 2.6 % because inflation-related price effects were offset by slight volume declines.

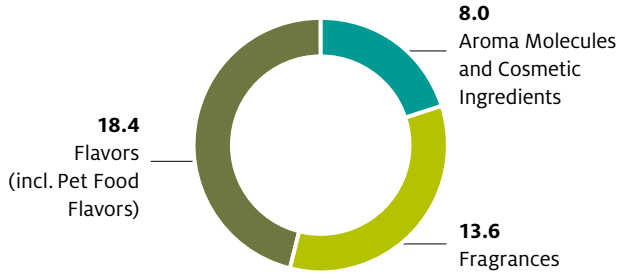
Worldwide, more than 500 companies are active in the relevant market for Symrise. Following the most recent acquisitions and mergers, the four largest players (Givaudan, the AFF-relevant units of IFF, DSM-Firmenich and Symrise) together hold a market share of 67 %.

The F & F market is characterized worldwide by high entry barriers. There is increasing customer demand for higher quality and more differentiated products with ever-shorter product life cycles. The majority of products and recipes are manufactured specially for individual customers. Furthermore, local taste preferences often dictate that there are many different recipes for a single end product that vary depending on the country in which it is marketed. Moreover, customer relations are often characterized by intensive cooperation in product development.

In addition to varying local taste preferences and consumer behaviors, there are other factors that also influence the demand for end products in which Symrise products are used. The population's increasing income in emerging markets is having a positive impact on the development of demand for products containing fragrances and flavorings or cosmetic ingredients. Market growth also depends on more basic products that meet everyday needs and already have an established presence in the markets of industrialized nations. In the developed Western European, Asian and North American markets, consumer trends such as beauty, health, well-being, convenience and naturalness determine the growing demand for products containing Symrise ingredients.

Relevant AFF market size 2023

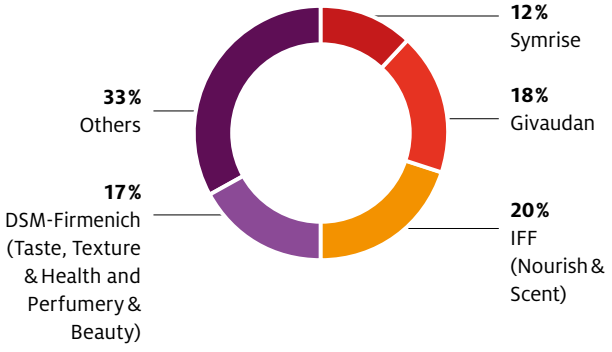
in € billion (approx. € 40.0 billion overall)



Sources: IAL FLA&FRA report (13th Edition, September 2022), IAL AC/AM report (3rd Edition, December 2022), IAL CI report (3rd Edition, December 2022).

AFF market share 2023

in % (market size approx. € 40.0 billion)



Sources: Company data and own estimates

THE MARKET POSITION OF SYMRISE

Symrise is one of the largest companies in the AFF industry. In relation to the relevant market of € 40.0 billion, Symrise held a market share in 2023 of roughly 12 % in terms of sales. Symrise has expanded the traditional segments to include additional applications such as cosmetic ingredients in Scent & Care and pet food ingredients in Taste, Nutrition & Health. Greater value creation can be achieved on the basis of these more complex product solutions. In submarkets such as sun protection or other cosmetic ingredients, Symrise also competes with companies or product segments of these companies that do not belong to the traditional AFF industry.

Symrise has leading positions in certain market segments worldwide, for example, in mint and vanilla flavor compositions. Furthermore, Symrise is one of the leading companies in the manufacturing of nature-identical L-menthol and also holds a leading position in the segment of UV sun protection filters, fragrance ingredients, and in baby and pet food.

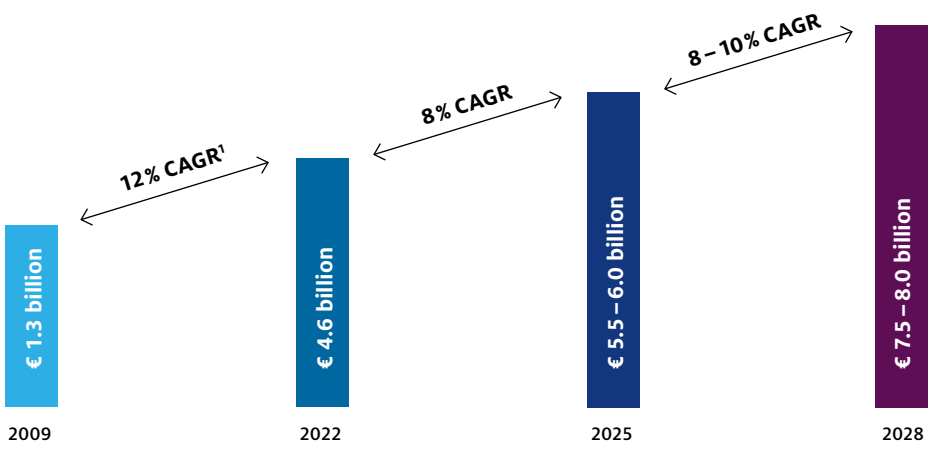
GOALS AND STRATEGY

GOALS

In the long term, Symrise wants to strengthen its market position and ensure the independence of Symrise. At the same time, Symrise recognizes its responsibility toward the environment, its employees and society at large. Symrise aims to increase sustainability with regard to its footprint, innovation, sourcing and care, and thereby minimize risk for the company and promote continued economic success.

Goals by 2028

Sales in € billion



1 CAGR: compound annual growth rate

- **Market position:** With long-term organic growth of 5 % to 7 % per year (CAGR)[1], sales growth at Symrise should exceed the growth of the market, which is expanding by about 3 % to 4 % per year on average. This will enable Symrise to gradually increase the distance between it and smaller competitors and to gain market share.

- **Value orientation:** Symrise wants to consistently be counted among the most profitable companies in the industry. The Group aims to achieve an average EBITDA margin of 20 % to 23 %.

Performance results are described in more detail in the corporate development section. Symrise ensures that its shareholders have an appropriate share in the company's success. The dividend policy is oriented toward the company's profitability.

STRATEGY

The corporate strategy of Symrise is based on three pillars: growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the Group's value over the long term and minimize risks. In this way, Symrise is making sustainability an integral part of its business model and turning it into a clear competitive advantage. The goal is a completely integrated corporate strategy.

- **Growth:** Symrise strengthens cooperation with its strategic customers around the world and expands its business in emerging markets. The Group makes sure that it remains an innovation leader in its core competencies. This ensures its continued growth.

- **Efficiency:** Symrise continually improves its processes and focuses on products with a high level of value creation. With backward integration for key raw materials, Symrise ensures a consistent, high-quality supply of these materials in sufficient quantities and at set delivery conditions. Symrise works cost-consciously in every division. This ensures the Group's profitability.

- **Portfolio:** Symrise enhances its product portfolio and taps into new markets and related business activities. The Group continues to expand its expertise outside the traditional flavor and fragrances industry. This ensures its prominent market position.

Symrise grows organically. When it makes sense, the Group engages in expansive acquisitions or enters into strategic partnerships for product development. At the same time, Symrise wants to ensure that the Group remains capable of taking advantage of any growth opportunities that arise without jeopardizing the company's financial stability.

VALUE-ORIENTED MANAGEMENT

Different variables are at play within the framework of value-oriented management[2]. The company is aiming for average organic sales growth of between 5 % and 7 % per year (CAGR)[1] in the long term. The EBITDA margin, for which Symrise has defined a strategic target of 20 % to 23 % (until 2025), serves as an indicator of the company's profitability. In addition, the company introduced business free cash flow in 2018 as the primary internal control variable to assess its performance in order to strengthen the Group's cash flow orientation. Symrise aims to continuously increase the business free cash flow, which consists of EBITDA, investments (including cash effects from leasing) and changes in working capital. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, Symrise attaches great importance to the Group's financial stability. Management's focus, therefore, is guided by these financial control parameters. Nonfinancial performance indicators in the areas of environment, procurement, employees and innovation are reported separately in the Corporate Report. Further information on the nonfinancial control variables can be found in the separate nonfinancial report pursuant to Section 289b of the German Commercial Code (HGB), which is published on the website of Symrise AG. at: **https://symrise.com/corporatereport/2023/company/sustainability-record/index.html**.

RESEARCH AND DEVELOPMENT

GUIDELINES

In research and development (R & D), Symrise aims to connect the individual components of product development, such as market and consumer research, basic research and creation throughout the Group. In the Taste, Nutrition & Health segment, new development potential is actively fostered through an incubator approach. Through the close linkup of R & D with business units, sales, marketing, purchasing and manufacturing/production, as well as quality assurance and regulatory issues, Symrise checks early on to see whether new products and technologies can be implemented, digitalized and if they

1 CAGR: compound annual growth rate

2 See also the "Alternative performance indicators" section

are profitable, in addition to assessing their sustainability aspects. Strategic research fields include the area of sustainable processes and products, such as green chemistry and the increased demand for perfumery ingredients based on renewable raw materials, as well as the area of taste optimization (taste balancing), the sensory optimization of preparations based on plant protein and the development of sustainable, resource-saving manufacturing processes. Essential research results are secured by way of stringent IP management in the form of patent and trademark protection. Furthermore, all R & D activities are geared to the guidelines of global mega trends, consumer needs, customer requirements, naturalness & authenticity, sustainability, digitalization, innovation and cost efficiency.

ORGANIZATION

From idea to marketable product, the innovation process at Symrise is organized around a uniform, stage gate process with decision filters, which has been implemented across the company. Here, more and more elements of agile project management are being used. In this context, a uniform project management system was introduced for all business areas in the Taste, Nutrition & Health segment. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project at Taste, Nutrition & Health and Scent & Care. The research and development projects are also regularly evaluated based on criteria from the four pillars of the sustainability strategy (FISC) and prioritized accordingly. As part of this process in 2023, the area of fair use of biodiversity was further developed according to the provisions of the Nagoya Protocol and anchored in our project management processes. One future field is the utilization of legacy varieties of known agricultural raw materials in order to preserve and expand biodiversity. Symrise is also an active member of the OP2B consortium [1] of various industrial companies. The two segments at Symrise each manage their own R & D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to all segments, in order to achieve synergies and improve resource efficiency. Multiple R & D centers around the world ensure that the regional activities of the segments are optimally supported. The research activities of the Scent & Care segment, especially the centers for development and application technologies, are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Chennai and Mumbai (India), Paris (France), Antananarivo (Madagascar), São Paulo (Brazil) and Cuautitlán (Mexico). In addition, there is a hair research center at the São Paulo site. Furthermore, the Cosmetic Ingredients division carries out basic skin biology research on innovative skin models, thereby driving forward the preclinical development of new cosmetic active ingredients. In the Taste, Nutrition & Health segment, R & D activities are organized according to the Food & Beverage and Pet Food divisions as well as the Business Incubation Group (BIG). The majority of this segment's R & D activities are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Paris (France), Rennes (France), Elven (France), São Paulo (Brazil), and Lund (Sweden).

EXTERNAL COOPERATIONS

External cooperations and networks (Open Innovation) bring a considerable amount of additional approaches and ideas into the development process. Along with ideas from Open Innovation, Symrise also maintains a global project network with industrial, institutional and academic partners that covers every step of the innovative process – from basic research to marketing concepts.

Symrise participates in numerous scientific research projects that are supported by the German Federal Ministry of Education and Research (BMBF), the German Federal Ministry for Economic Affairs and Climate Action (BMWK), via the Research Group of the Food Industry (FEI)/Working Group for Industrial Research (AiF), the European Union (EU, Horizon 2020), TKI (Top Consortium for Knowledge and Innovation, Netherlands), the German Federal Ministry of Food and Agriculture (BMEL), the German Society for International Cooperation (GIZ), the French Crédit d'impôt recherche (CIR) and other public and private funding institutions. Increasingly, tax rebate options are being used for research activities in France and Germany. Topics related to the following areas play a key role: sustainability, the establishment of cultures and the breeding of plants with special flavor properties, the development and sensory improvement of plant proteins, raw material sourcing and biotechnological processing and improvement, the added health value of food ingredients, technologies and sustainable ingredients for perfume oils and oral hygiene. Symrise has joined the Sustainable Food Initiative (SFI), founded by Wageningen University & Research, in which various universities and industrial companies conduct joint research in the field of future and sustainable food production.

1 One Planet Business for Biodiversity (OP2B) is an international, cross-sectoral and action-oriented business coalition on biodiversity with a specific focus on regenerative agriculture, initiated within French President Macron's One Planet Lab framework and launched at the United Nations Climate Action Summit in New York on September 23, 2019.

Significant research cooperations

Partners	Goal of the cooperation
CDL for Taste Research/University of Vienna	Systematic investigation of physicochemical and physiological properties of substances capable of influencing sweet taste
SustainVanil (including Osnabrück University of Applied Sciences and various partners)	Basics of indoor vanilla cultivation, understanding and optimization of the flowering process, biological control of harmful fungi and the diseases they cause in the vanilla plant (funded by the BMBF)
Optimization of protein composition/satiation	Investigation of the basis for optimization of the protein composition of potato and pea protein hydrolysates with regard to bitterness and regulation of satiation (AiF)
Extraction using NADES	Extraction of functional food ingredients using natural deep eutectic solvents (AiF)
SynBio4Flav (various partners, including the University of Greifswald)	Development of co-fermentation processes to obtain flavonoids (funded by the EU, Horizon 2020).
RapeQ (various partners, including the Technical University of Munich)	Improvement of the taste of rapeseed protein through breeding, processing and targeted masking (funded by the BMBF)
Potato protein (Technical University of Munich, LSB Freising)	Identification and correction of off-flavors (AiF)
Taste optimization for meat substitutes (various partners, WUR)	Taste improvement of meat substitutes (funded by TKI [Top Consortium for Knowledge and Innovation], Netherlands; sector: TKI Agri&Food)
In4Food (various partners, MRI, Fraunhofer)	Testing of indoor farming systems for the production of plant-based raw materials for functional applications
Pulses (various partners, including Wageningen University & Research)	Improving the taste of legume proteins (funded by TKI [Top Consortium for Knowledge and Innovation], Netherlands; sector: TKI Agri&Food
Encap4HEalth (TU Berlin, various partners)	New materials and processes, as well as an innovation exchange in the field of the encapsulation of bioactive ingredients (funded by the EU, Horizon 2020 RISE program)
Proteins4Singapore (TUM Create, Singapore)	Investigation of the use and improvement of indoor-produced plant and algae proteins for natural aroma systems
Protein fermentation (University of Hohenheim)	Investigation of the use of plant and animal protein byproducts through fermentation with basidiomycetes (AiF)
Fava bean protein (Technical University of Munich, LSB Freising)	Identification and correction of off-flavors (AiF)
New energy-efficient drying technologies (University of Bonn)	Investigation of the use of heat pump technology to dry plant materials and utilize the byproducts (funded by FNR/BMEL)
BioMarkerID (various partners, including Wageningen University & Research)	Use of receptomics/LC coupling to develop screening systems for taste actives
Rapeseed protein (Technical University of Munich, LSB Freising)	Identification and correction of off-flavors (AiF)
Leibniz Institute for Catalysis (LIKAT), Rostock	Research for fragrances and process optimization of flavorings
Laval University/Institute of Nutrition & Functional Foods, Quebec, Canada	Study of the probiotic influence of polyphenols from fruits and vegetables, development of synergistic combinations of probiotic polyphenols and bacteria to modulate the biocenosis of the internal organs

FOCUS AREAS

In the Taste, Nutrition & Health segment, work continued on systematically using digital tools in our main areas of research such as sugar, salt and fat reduction and improving the taste of plant proteins as meat substitutes or alternatives to dairy products. To this end, special statistical processes were optimized and applied, making a significant contribution to reducing project development cycles. Symrise presented an example of this way of working at the 21st FEI Cooperation Forum entitled "Characterization, processing and use of plant proteins – Concepts for foods of the future" held in Bonn on April 18, 2023. A further use of modern digital tools in identifying flavors to reduce sugar in food applications was presented by Symrise in a paper entitled "Identification of taste actives from cultural food heritage via combined text-mining and senso-analytical approach" that was delivered at the 13th Wartburg Symposium held in Eisenach on October 3, 2023. At the same conference, the company also presented current findings from citrus research in a paper entitled "Molecular-sensory decoding of Citrus latifolia Aroma" and described biotechnological approaches to manufacturing taste-balancing raw materials in a paper entitled "Biotransformation of flavonoids by fungal mycelium from edible Lentinus spp. to produce taste active flavonoids with isovanilloid motif." The further development of our citrus expertise is of great importance in light of the widespread use of these products in beverages, sweets and other foods. That is why the molecular-sensory decoding process developed by Symrise is crucial for the exact characterization of flavor molecules and their combinations. This information is used by our developers and application technologists to create authentic product solutions for our customers.

The use of renewable raw materials is becoming increasingly important in continuing to evolve selected technologies for the formulation of fragrances and product solutions. In this regard, Taste, Nutrition & Health presented its current work on spray drying coacervates on plant protein at the 21st Gums and Stabilisers for the Food Industry Conference that took place in Greece in July 2023.

The research and technology strategy is being implemented on the basis of various research platforms. A large number of key topics are being worked on with a special focus on sustainability aspects. In the Food & Beverage division, examples include the development and adaptation of new, gentle and environmentally friendly separation technologies (Selective Enrichment Technologies Flavors SETFlavors®) and the expansion and elaboration of raw material sources for sustainable and natural product solutions for the Symrise Code of Nature® platform, which are primarily used for healthy food concepts; the continuous development of natural and sustainable raw materials for flavor solutions that lead to the sensory-preferred reformulation of low-sugar, low-salt and low-fat food concepts; and the development of energy-efficient and low-solvent methods for concentration, beginning with plant-based raw materials. In 2023, a special focus was placed on the challenge of improving the taste of plant proteins as meat substitutes or for use in dairy products. Another focus is on reducing sugar in beverages and dairy products as well as in savory applications. In this context, the selection of varieties and new cultivation methods for a sustainable supply chain were developed and established for specific plant-based raw materials for the Taste Balancing product platform. Another focus of research in the Taste, Nutrition & Health segment is the development and application of modern digital tools for the rapid and targeted development of flavor solutions for selected food applications. The ProtiScan™ process – developed by Symrise for recording the flavor release from innovative food preparations made with vegetable protein – is noteworthy in this context and was developed further in 2023. This process enables a significant reduction in project development times and forms a solid foundation for IT-based development concepts.

In addition, work is being carried out on the continuous improvement of product safety and the targeted optimization of the use of flavor solutions for application in reduced sugar and plant protein-based foods. In recent years, particular attention has been given to the development of digital prediction tools to support flavor development and creation. A significant portion of this work was continued and completed in 2023 and grouped under the umbrella term "PropheSY".

In the Pet Food division, the Elven site was equipped with state-of-the-art extrusion equipment to develop more powerful and safer products. In addition, the VIDEKA® laboratory in Elven was designed for EAME customer support with shelf-life studies, research and development and analytical requirements. This laboratory is used to carry out shelf-life studies for pet food and pet care compounds using the latest analytical instruments.

In the Aqua business, an important focus of product development was the utilization of shrimp shells as raw materials or functional ingredients. Projects for the development and application of flavor enhancers for carnivorous fish species were continued.

Probi and the Naturals business unit have launched a joint project to develop new symbiotic products containing live microorganisms and polyphenols extracted from fruits.

With regard to its R & D strategy, the Scent & Care segment focuses on raw materials and technologies in accordance with the Fragrances division's strategic research fields of captives and ingredients, delivery systems, health and emotion, and malodor. The strategic field of captives and ingredients is researching individual perfume raw materials for the Fragrance and Oral Care business units. In the case of new synthetic substances (captives) based on petrochemicals and renewable raw materials, the focus is on floral, woody and musky fragrances. In respect of the captives based on natural raw materials such as roots, flowers and fruits, work is concentrated on the strategic fields of biodiversity essential oils, natural technologies (Supernature) and artisan. In 2023, Cocoa Shell Madagascar, Neroli Oil Egypt, Supernature Sympep, Apple Symtrap, Strawberry Symtrap, Banana Symtrap and Blackcurrant Symtrap were added to the portfolio.

Core functions of research and development at Symrise

Research is also being carried out to find inexpensive raw materials for perfumery. Symrise has also added Natural Neofresh® to its Neofresh platform to meet customers' desire for sustainable products made from renewable raw materials.

Having continued the development of its combined expertise in fragrances and pet food especially for dogs and cats in recent years, Symrise is now deploying these developments increasingly in direct customer projects.

The marketing of Symcap BG® biodegradable capsules has generated a great deal of interest from some customers for use in fabric softeners. Research for capsules for fragrance oils is now heading to vegan capsules with improved efficacy for other areas of application as well. There is also growing customer demand for vegan capsules. Symcap BG contains gelatin so an alternative raw material based on pea protein has been found and developed into the new Symcap BP capsule that is market-ready. There is also increasing demand for kosher and halal products.

The Oral Care business unit has developed Fuji, a new cooling agent that is expected to be market-ready in 2024.

Research for the Aroma Molecules division is focused on improving existing manufacturing processes for market products such as menthol and on increasing process efficiency.

In the Cosmetic Ingredients division, there is an interdisciplinary group of cell biologists, molecular biologists and microbiologists researching the human microbiome. The new research area is investigating the benefits and risks of interactions between humans and microorganisms, and is providing scientific and cross-divisional support in the development of new products for skin, scalp and oral care, or in the area of nutrition. The first products and product concepts have already been introduced to the market. In addition, in-depth analyses on healthy volunteers showed that neither multifunctional active ingredients nor modern UV filters have an effect on the microbiome. In 2023, microbiome expertise was expanded to the armpit. The proprietary ex vivo model developed to identify active ingredients for deodorants was presented at a number of conferences, including the International Federation of Cosmetic Chemists and Scientists (IFSCC) Congress. It is expected that the first active substance based on the research model and the specific method will be market-ready in 2024.

PATENTS AND AWARDS

The number of patents filed (34 new applications in 2023) is used to measure innovation results and quality and to evaluate global coverage and competitive impact.

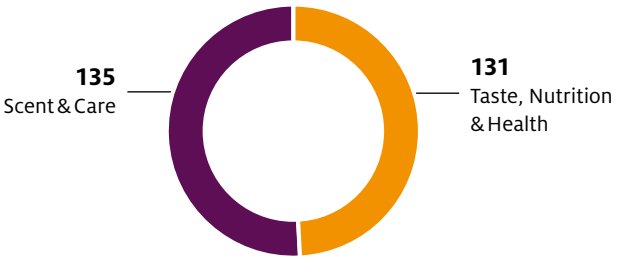
In 2023, as in previous years, Symrise research was recognized with awards for its high level of innovation. Launched in 2023, the yarrow-based Supervisome® EPH received two awards: a European BSB Innovation Award in the "Cosmetics/Raw Materials/Actives" category and the Pure Beauty Award UK. The product is manufactured in a special process which extracts the juice from fresh, organically grown yarrow and spray dries it to yield a stable raw material that, when used in cosmetic products, is proven to give the skin a more even appearance. Also launched in 2023, SymProt'in™ Oat is manufactured by enzymatic extraction from organically grown oats and is rich in hydrolyzed proteins. Thanks to its special composition, the product helps to protect the structure of hair and received the BSB Award in the "Natural Products/Raw Materials/Actives" category. SymHair® Thermo, which was already launched in 2022 and has garnered numerous awards, won the Pure Beauty Global Award in the "Best Ingredient" category. It is a sustainable product that combines carbohydrates with different chain lengths, providing outstanding protection for the hair against thermal damage. Launched back in 2020, Crinipan PMC green impressed another jury in 2023 to win the prestigious PCHi Fountain Award in the "Hair Care/Scalp Care Ingredient" category. The product delivers proven efficacy against dandruff and satisfies consumer demands for environmentally compatible products.

RESEARCH AND DEVELOPMENT EXPENSES

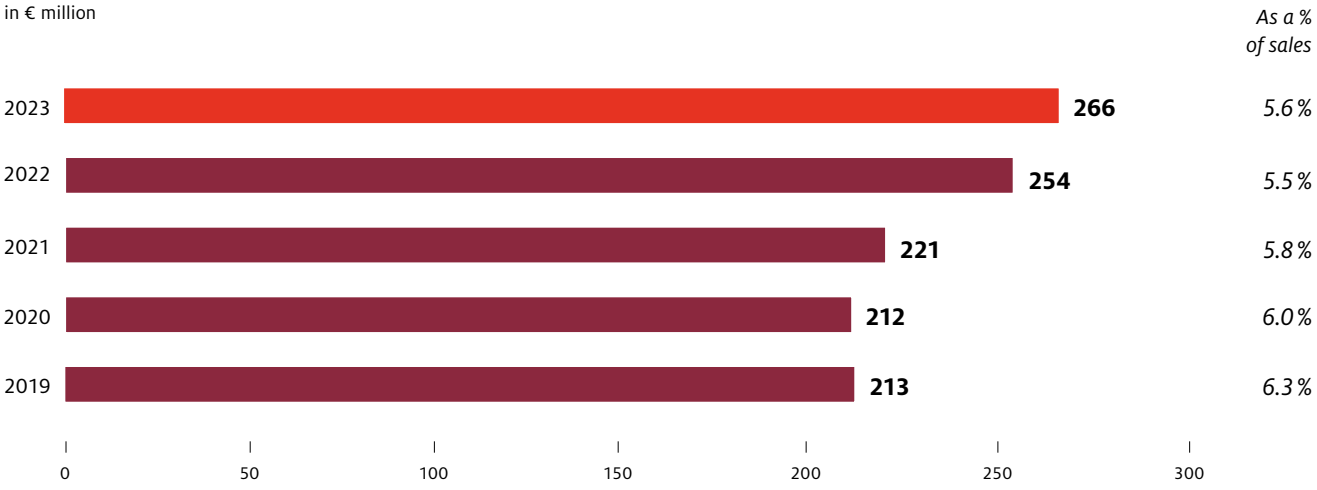
Total R & D expenditures amounted to € 266 million in the 2023 fiscal year (2022: € 254 million), increasing by 4.4 % compared to the previous year. The share of sales accounted for by R & D expenditures amounted to 5.6 %, a slight increase from 5.5 % in 2022. Compared to the previous periods (2019–2021), the share of R & D expenses as a percentage of sales shows a slightly declining trend, which is mainly due to portfolio shifts towards less research-intensive areas.

The capitalization rate for research and development activities remained immaterial in 2023 as in the previous year because the conditions for capitalization are generally only met at the conclusion of a project. This meant that a majority of the development costs incurred were recognized through profit or loss.

R & D expenses 2023 by segment
in € million



R & D expenses 2019–2023
in € million



EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2023, the Symrise Group employed 12,435 people worldwide (not including trainees and apprentices). In comparison to December 31, 2022 (12,043 employees), this represents an additional 392 employees. At 221, the number of apprentices and trainees was well above the previous year's figure of 209.

PERSONNEL STRATEGY

In 2023, Symrise revised its human capital strategy in line with the company's corporate strategy. The human capital vision of "ONE HR – inspiring more people for sustainable corporate growth" focuses on our main priorities: organization, people, sustainability and corporate growth. The HR organization has worked to become an integrated team that serves the entire organization and is now managed on the basis of a three-pillar model consisting of (i) business partnering, (ii) regional measures and (iii) centers of expertise such as (I) compensation and benefits, (II) talent management, learning, diversity and change, (III) talent recruitment and (IV) systems, analysis and sustainability. We have aligned our HR policy to focus on the following areas:

1) Developing a transparent, fair and motivating remuneration policy

2) Fostering professional development and talent management by offering equal opportunities to all employees

3) Providing reliable data and progressive technologies that facilitate better business management

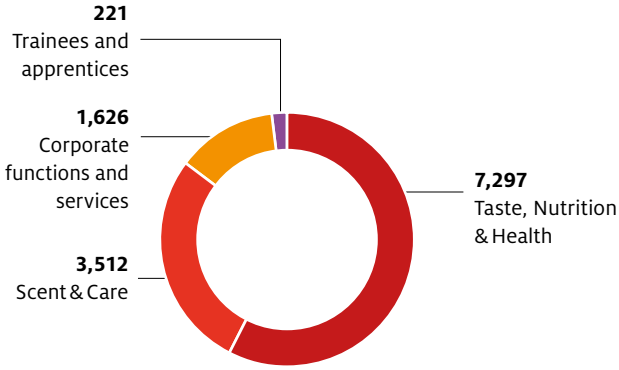
4) Creating a leadership culture that increases employee loyalty, values integration and diversity, and leverages synergies within the company

5) Ensuring the health and safety of our employees and establishing diversity as a business-critical success factor

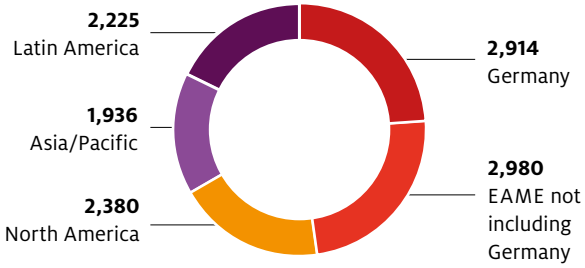
Our human capital strategy is aimed at creating an environment for our employees in which they can develop their full potential and build their skills and expertise.

The demographic development trend in many countries toward an aging society and a diversification of the population – and thus the active workforce – to include people from other cul-

Number of employees by segment



Number of employees by region



tures and educational systems are changing our living and working environments in many ways. People from over 80 nations work in the Symrise organization alone. For us as a global company, diversity has the added value of creative and innovative cooperation in diverse teams. Equal opportunities are more important than ever, and promoting diversity is central to the company's success. Furthermore, promoting diversity is essential to ensuring employee recruitment now and in the future.

We put our commitment to diversity into practice with specific measures on both local and global level.

Group strategic development of senior executives and employees

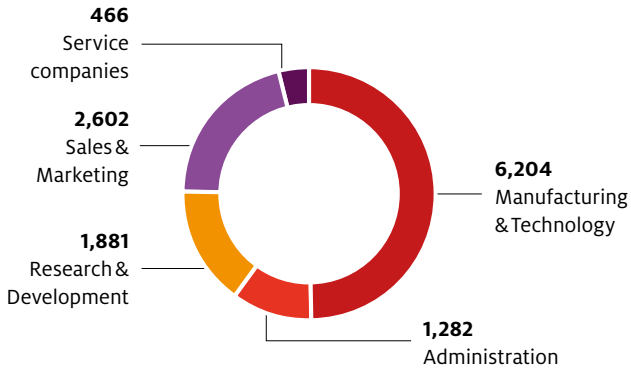
Our talent scouting and succession planning processes reconcile employees' individual career ambitions with our divisions' organizational development. In this connection, we define key positions within the company that we consider to be essential and for which we must identify and develop potential successors in the context of career development. Training activities are consolidated worldwide in programs based on four strategic pillars:

- Our flavorist and perfumer school
- Technical and specialist training for our employees
- Training for our sales representatives
- Executive development

As part of the strategic transformation of our HR management activities, we are planning a new talent management program for which we will be starting a pilot project in 2024. In our Taste, Nutrition & Health segment, we are developing leadership programs to build management skills such as transparency, trust, the eye-to-eye principle, courage and team spirit. We expect these skills to be important for preparing our future executives. At the same time, our training programs include methods such as coaching and mentoring. Mentors are in the unique position to pass on valuable experience to their mentees, who are usually younger.

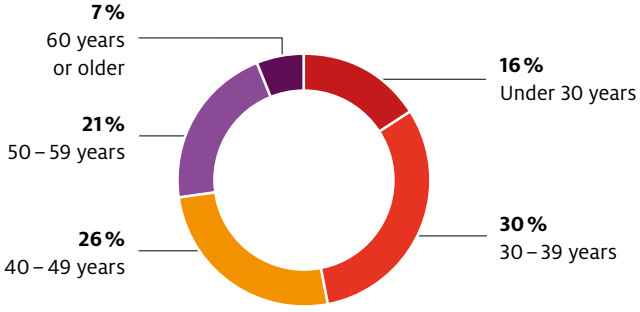
In the 2023 fiscal year, Symrise also continued to expand the topic area of modern and digital learning. Employees were provided with a global "Learning Management System" (LMS) and a digital learning platform ("Skillsoft"). More than 5,000 learning hours have now been completed worldwide on the Skillsoft platform.

Number of employees by position



Age structure of the workforce

in %



Group strategic development of female senior executives
In addition to increasing diversity with regard to other cultures, we also place great importance on gender equality at all management levels. In our talent development, we ensure that there are many women among the participants. In this way, we intentionally promote the preparation of young women for taking on greater management responsibility in our company. The pipeline of female senior executives has almost met the target we set for 2025.

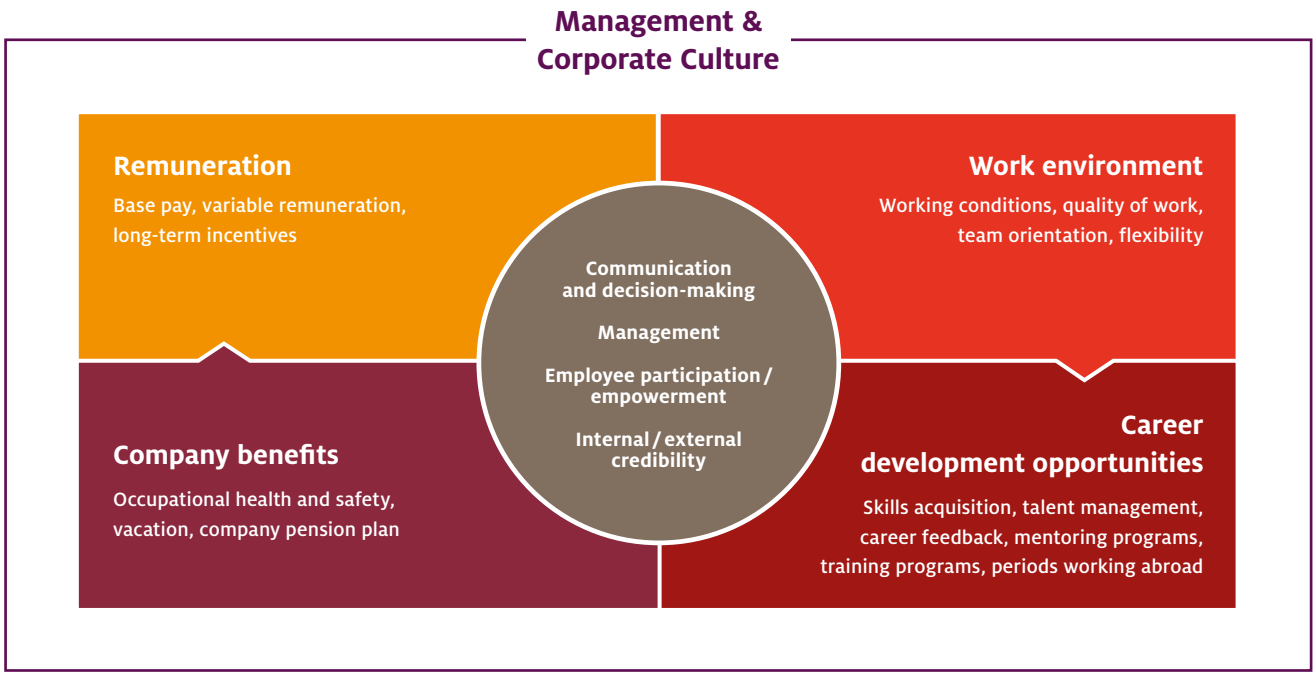
Equitable remuneration for women and men
In 2021, Symrise carried out a gender-specific analysis of the wages for the employees at its largest site in Germany. In the in-depth analysis on the subject of equal pay, comparable job groups were formed and pay differences were analyzed against the backdrop of whether there is possible discrimination in this area. For this purpose, aspects such as length of service, age, education and vocational training were considered, along with the requirements level and professional position.

Training and education
Educating young people is of particular importance at Symrise. This is evidenced by multiple awards in company comparisons over the past four years. Symrise recruits qualified young individuals who it specifically trains with the company's needs in mind, thus fulfilling its social obligation to the next generation.

As of December 31, 2023, a total of 141 apprentices and trainees were employed at the sites in Germany, representing an increase of 12 % compared to 2022 (126).

Depending on the occupation, training lasts two to three years. All trainees are taken on at least temporarily after completing their training if they meet the minimum requirements regarding the success of their training. With this investment in training, Symrise is meeting the demand for future specialists in chemical production and the laboratories as well as in commercial, marketing, IT and sales positions. Symrise also runs apprenticeship programs at other sites around the world with the goal of training and developing the young talents the company needs.

Symrise constantly trains experts over a period of around three years at its own flavorist and perfumer school, where they master raw materials and their applications in Symrise products and then successfully use them in product development. In addition, our employees have a wide variety of opportunities for completing a bachelor's, master's or doctoral degree alongside their work through cooperation agreements with universities, academies and institutes.



Remuneration and wage agreements

Equal pay for both men and women is a matter of course for us. Remuneration levels are based only on an employee's qualification and the value they contribute to the company. Most of the workforce is paid on the basis of collective wage agreements that are negotiated with the labor unions. Each year, we perform analyses at all our main sites to avoid any gender-specific differences in remuneration. The last official analysis in Germany was conducted in 2021. We regularly analyze equality indicators in France as well. Most of our companies there are subject to French legislation that requires gender equality reporting. An annual index is published for the companies affected. In 2023, our companies in Rennes, Antrain, Elven and Clichy scored an average of 87 out of 100 points.

The wage differences reflected in the absolute wage level may arise due to the job type. For example, shift workers are paid shift allowances that are not gender-specific.

The regularly scheduled bargaining on our collective wage agreements in Germany took place in 2022. As part of the successful negotiations, a collective wage agreement adapted to the economic challenges faced by companies and employees was concluded with a term of 18 months. This envisaged wage increases in January, July and December 2023. Moreover, Symrise paid all full-time employees an inflation bonus of € 1,500 in December 2023.

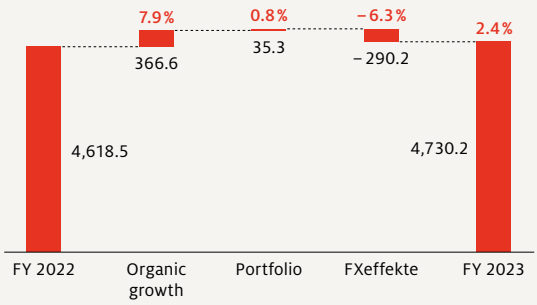
Symrise will also continue to give its employees covered by the collective wage agreement in Germany a share of the company's profits. The possible profit-sharing bonus linked to the EBITDA margin was also increased for 2023 and 2024.

For employees not covered by the collective wage agreement, separate global performance bonus plans apply to our managers with global or regional responsibilities. These support the achievement of the set corporate goals through results- and performance-based variable remuneration. Our creative employees are also included in this management and incentive system.

Economic report

Group

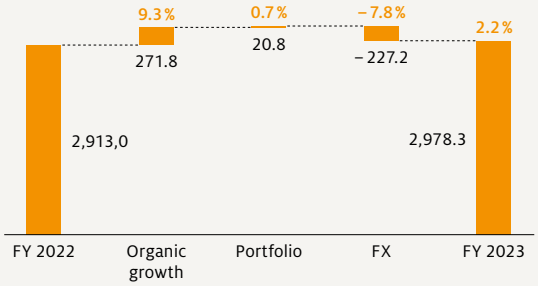
sales in € million



€ million		FY 2022[2]	FY 2023	FY 2023 adjusted[1]	Change in %
Gross profit		1,702.1	1,692.6	1,739.3	2.2
EBITDA		921.5	851.7	903.5	– 2.0
EBITDA margin	in %	20.0	18.0	19.1	
EBIT		630.1	559.4	611.2	– 3.0
EBIT margin	in %	13.6	11.8	12.9	
Depreciation		164.6	176.0		6.9
Amortization		126.8	116.3		– 8.2
Financial result		– 72.9	– 94.4		29.6
Earnings before income taxes		557.2	464.9		– 16.6
Net income[3]		406.1	340.5		– 16.2
Earnings per share[4]	in €	2.91	2.44		– 16.2
R&D expenses		254.5	265.7		4.4
Investments		270.1	270.0		– 0.1
Business Free Cash Flow in % of sales		6.5	11.3	11.7	

Taste, Nutrition & Health

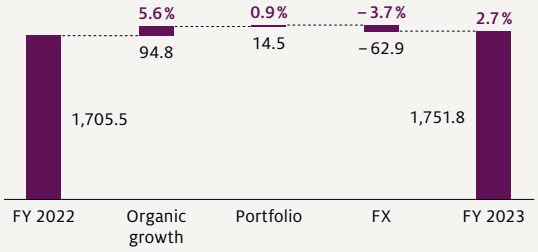
sales in € million



€ million		FY 2022[2]	FY 2023	FY 2023 adjusted[1]	Change in %
EBITDA		630.5	629.2	626.8	– 0.6
EBITDA margin	in %	21.6	21.1	21.0	
EBIT		430.2	428.8	426.4	– 0.9
EBIT margin	in %	14.8	14.4	14.3	

Scent & Care

sales in € million



€ million		FY 2022	FY 2023	FY 2023 adjusted[1]	Change in %
EBITDA		291.0	222.4	276.7	– 4.9
EBITDA margin	in %	17.1	12.7	15.8	
EBIT		199.9	130.6	184.8	– 7.6
EBIT margin	in %	11.7	7.5	10.5	

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments
2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden
3 Attributable to shareholders of Symrise AG
4 Undiluted

COMPANY DEVELOPMENT AT A GLANCE

IMPORTANT EVENTS

Despite a volatile market environment with challenging political and economic conditions, Symrise was able to pursue its strategy systematically in the 2023 fiscal year. So far, the ongoing geopolitical conflicts in Ukraine and the Middle East have had only little impact on business development at Symrise. However, the continuing high level of inflation in the 2023 fiscal year led to in part significant cost increases at Symrise, accompanied by the consistent implementation of price rises.

In March, Symrise launched a number of bioactives under the diana food™ brand for use in beauty from within products. The company is expanding its offer with the development of these differentiating and innovative nutricosmetic ingredients. The range includes a full line of solutions for skin conditioning and anti-aging, skin brightening, as well as hair and nail care. It is composed of naturally sourced bioactives, such as collagen type I, vitamins C and A, and polyphenols from various fruits. This product range expands Symrise's expertise to include solutions for skin care from within, complementing the company's existing cosmetic ingredients offering.

In May 2023, Symrise inaugurated the Little Red House as a creative center for fine fragrances in the heart of Shanghai, further strengthening the company's position on the key Chinese fragrance market. The Little Red House is located in The Roof, an iconic building in Shanghai's Xuhui District. With the new hub, Symrise offers its customers a unique and inspiring space for developing and co-creating ideas and devising modern solutions in real time. The hub's name – "Xiaohongwu" in Chinese – relates to the red Symrise logo, the red walls of the chosen location, the familiar concept of a home and The Little Red Book, a Chinese social media platform. It serves as a meeting place for fragrance creation and also offers space for market research, creative arts and olfactory culture, featuring exclusive events and cultural programs.

In June, Symrise Cosmetic Ingredients opened a new Center of Expertise for Beauty & Home Care at the Symrise site in Clichy near Paris. It houses a microbiological laboratory dedicated to customer support for the EAME (Europe, Africa, Middle East) region as well as the Cosmetic Ingredients division's first application laboratory for home care products. This move strengthens Symrise's position as a leading company in the development of cosmetic ingredients and innovative solutions for customers around the world.

At the end of August, Symrise Pet Food inaugurated a new production facility in Chapecó, Brazil. The state-of-the-art production plant manufactures palatability solutions for dog and cat food and covers an area of more than 10,000 square meters, making it the largest of its kind in Latin America and the largest producer of pet food palatability solutions worldwide. It features advanced technologies with full automation delivering high operational efficiency. With this facility, the company has greatly expanded its production capacities in Brazil in preparation for the growing demand for pet food in Brazil and other Latin American markets. In addition, the site will deliver a number of products to global markets.

At the start of October, the Taste, Nutrition & Health segment launched its new SET Flavors™ brand. SET stands for selective enrichment technologies, which can be used alone or in combination. In this way, valuable natural aroma components can be obtained from the side streams and byproducts of food processing. The efficient processes and advanced technologies enable Symrise to select and enrich aroma substances from byproducts. These can be used as raw materials to develop innovative and authentic flavor profiles. Symrise SET Flavors™ address consumer wishes concerning future sustainability and environmental requirements.

At the end of October 2023, Symrise inaugurated Jardin Arabia, the new creative center for fine fragrances in the heart of Dubai. In this way, Symrise is strengthening its strategic foothold in the thriving Middle Eastern fragrance market. The name "Jardin Arabia" pays homage to the region and the elegant building structure, at the same time, embodying its central location at the crossroads between Europe and Asia. The elegant and inspiring collaborative hub is located in Internet City, Dubai's innovation district near the iconic Palm neighborhood. It showcases Symrise's fine fragrance market expertise and strengthens the company's creative approach.

GENERAL STATEMENT ON THE COURSE OF BUSINESS AND ON THE GROUP'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Symrise Group generated sales of € 4,730 million in the 2023 fiscal year. Sales increased by 2.4 % in the reporting currency compared to the previous year. Excluding portfolio effects, organic sales growth amounted to 7.9 %. At a total of € 903 million, adjusted earnings before interest, taxes, depre-

ciation and amortization (adjusted EBITDA[1]) were € 18 million lower than the previous year's figure of € 922 million[2]. This corresponds to a margin[3] of 19.1 % (2022[2]: 20.0 %).

Net income attributable to the shareholders of Symrise AG amounted to € 340 million, which was € 66 million lower than the previous year's figure[2]. Earnings per share were € 2.44 and thus € 0.47 below the previous year's figure[2] of € 2.91.

In light of the overall good business performance, the Symrise AG Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 1.05 in the previous year to € 1.10 per share for the 2023 fiscal year at the Annual General Meeting on May 15, 2024.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the beginning of the 2023 fiscal year, Symrise had set itself the goal of achieving organic sales growth of 5 % to 7 % and thus noticeably above market growth (approx. 3 % to 4 %). This growth target was confirmed at the end of the first half. However, in 2023, Symrise's relevant market grew by only around 2.6 % because inflation-related price effects were offset by slight volume declines.

For 2023, Symrise had expected an EBITDA margin of around 20 % despite rising raw material prices. Debt, as measured by the key indicator of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA, should have been within the range of 2.5 and 2.7. For the business free cash flow in relation to sales, Symrise had set itself a target of 12 % at the beginning of the 2023 fiscal year. In its reporting for the first half of 2023, Symrise lowered its expectation for business free cash flow for the 2023 fiscal year to between 9 % and 11 %.

With organic sales growth of 7.9 % (excluding portfolio and currency translation effects), Symrise surpassed its sales goals in 2023. The adjusted EBITDA margin[3] of 19.1 % was below the value expected for 2023. At 3.0 times EBITDA[3], net debt was higher than the level expected for 2023, due especially to the weaker earnings performance and the still high working capital to ensure supply availability. On the reporting date, the adjusted business free cash flow[3] was 11.7 % and thus higher than the target of 9 % to 11 % forecast at the end of the first half.

1 Adjusted for one-time effects in the Scent & Care segment in connection with the production stoppage at the Colonel Island site, the reorganization following the segment's realignment and costs associated with the antitrust investigation; moreover, adjustments were made in both segments for an insurance reimbursement for a cybersecurity incident in 2020. Please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments.

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

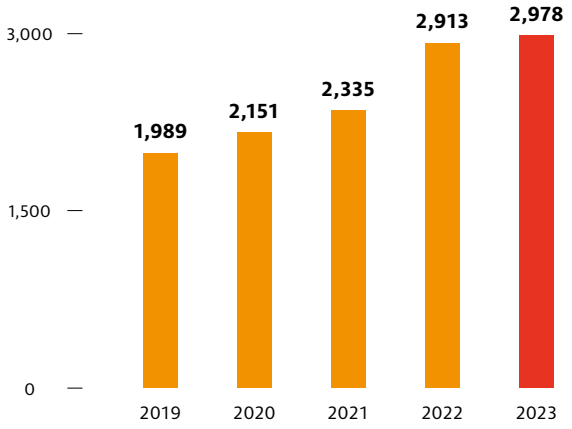
3 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments.

Achievement of targets in 2023

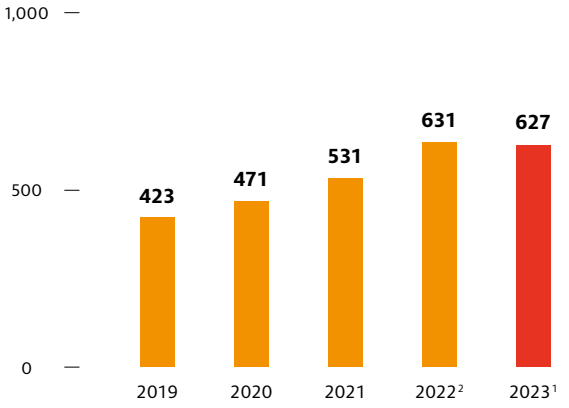
	Target at the beginning of the fiscal year	Figure achieved
Sales growth (at local currency)	5 – 7 %	7.9 %[1]
EBITDA margin	Around 20 %	19.1 %[2]
Net debt (including provisions for pensions and similar obligations as well as lease liabilities)/ EBITDA (excluding acquisitions)	Between 2.5 and 2.7	3.0[2]
Business free cash flow	Around 12 %	11.7 %[2]

1 Organic growth 2 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments.

Taste, Nutrition & Health segment sales
in € million



Taste, Nutrition & Health segment EBITDA
in € million



DEVELOPMENT IN THE SEGMENTS AND REGIONS

TASTE, NUTRITION & HEALTH SEGMENT

The **Taste, Nutrition & Health segment** achieved organic sales growth of 9.3 %. Taking account of portfolio and currency translation effects, the segment's sales in the reporting currency amounted to € 2,978 million. Compared to the previous year, this corresponds to an increase of 2.2 %. The positive portfolio effect from the acquisition of Wing Biotechnology Co., Ltd., Shanghai, China, was around € 20 million.

In the Food & Beverage division, the business units responsible for sweet and savory products and for beverage flavoring developed very positively, all achieving high single-digit and double-digit organic growth, respectively. The EAME (Europe, Africa, Middle East) and Latin America regions in particular saw strong gains. The main growth drivers here were the markets of Western and Eastern Europe, Egypt and Saudi Arabia, as well as Mexico and Brazil. The Naturals business unit increased sales in the EAME and Asia/Pacific regions especially.

The Pet Food division also posted double-digit organic growth. Sales development was particularly dynamic in the Western and Eastern European markets, especially Poland and France, as well as in the USA, Mexico, Brazil and Southeast Asia, driven especially by global and regional customers. With the ongoing expansion of production capacities and the joint venture with Fujian Sunner Development Co. Ltd. in China (Sunner), Symrise has laid the foundation for the continued accelerated growth of the pet food business.

Sales by the Aqua Feed division also developed positively to deliver double-digit organic growth. Key growth impulses came from the EAME and Asia/Pacific regions, especially from the markets in Germany, China, Portugal and South Korea.

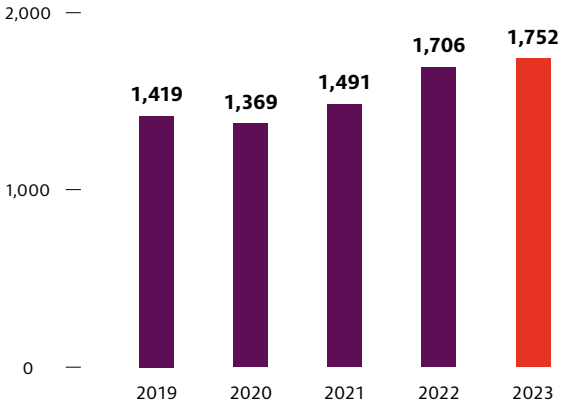
The probiotics business, which includes the majority interest in the listed company Probi AB, Lund, Sweden, was unable to maintain the level of the previous year and recorded a slight decline in sales. This was due to general market weakness, especially in North America. Sales development in EAME also saw a negative impact from the reduction in safety stocks by a number of major customers.

EBITDA Taste, Nutrition & Health: Adjusted EBITDA[1] of the Taste, Nutrition & Health segment in the reporting year amounted to € 627 million, which was lower than in the previous year[2] (2022: € 631 million). This was mainly attributable to the lack of the previous year's positive one-time effects from the sale of the Velcorin® business and the partial sale of the celery business and to higher operating costs. Due to the aforementioned effects, the adjusted EBITDA margin[1] of 21.0 % failed to match the previous year's[2] level (2022: 21.6 %).

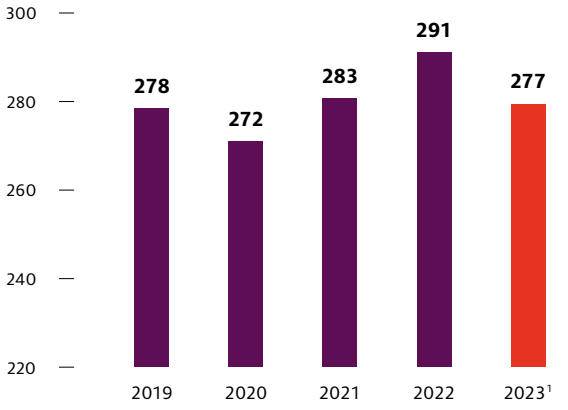
1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

Scent & Care segment sales
in € million



Scent & Care segment EBITDA
in € million



SCENT & CARE SEGMENT

In the 2023 fiscal year, the **Scent & Care segment** generated sales of € 1,752 million. Compared to the previous year, this represents an increase of 2.7 %. Excluding portfolio and currency translation effects, organic sales growth amounted to 5.6 %. The portfolio effects from the acquisitions of Neroli Invest DL (Groupe Néroli) and Essence Ciel with its subsidiary SFA Romani (Romani) – both are based in Saint-Cézaire-sur-Siagne, France – contributed a total of around € 15 million.

The Fragrance division increased sales organically by a high single-digit percentage. The Fine Fragrances business in particular continued its dynamic development and followed its strong performance of the previous year with renewed double-digit percentage organic growth. The recent acquisitions also contributed to the business unit's growth. The growth rates in the EAME, North America and Latin America regions were particularly pronounced. The Consumer Fragrances business unit posted good single-digit percentage growth. Here, too, the biggest gains were posted by the EAME and Latin America regions, followed by Asia/Pacific, especially for laundry and cleaning products. The Oral Care business unit saw low single-digit percentage organic growth, with the biggest increases in the Asia/Pacific region.

Sales development in the Aroma Molecules division was negatively impacted in particular by a difficult market environment and the production stoppage at Colonel Island, USA, following a fire in November 2022. Demand for fragrances and menthol was held back by customers reducing their inventories. The sum of sales across all business units and regions was significantly lower than in the previous year.

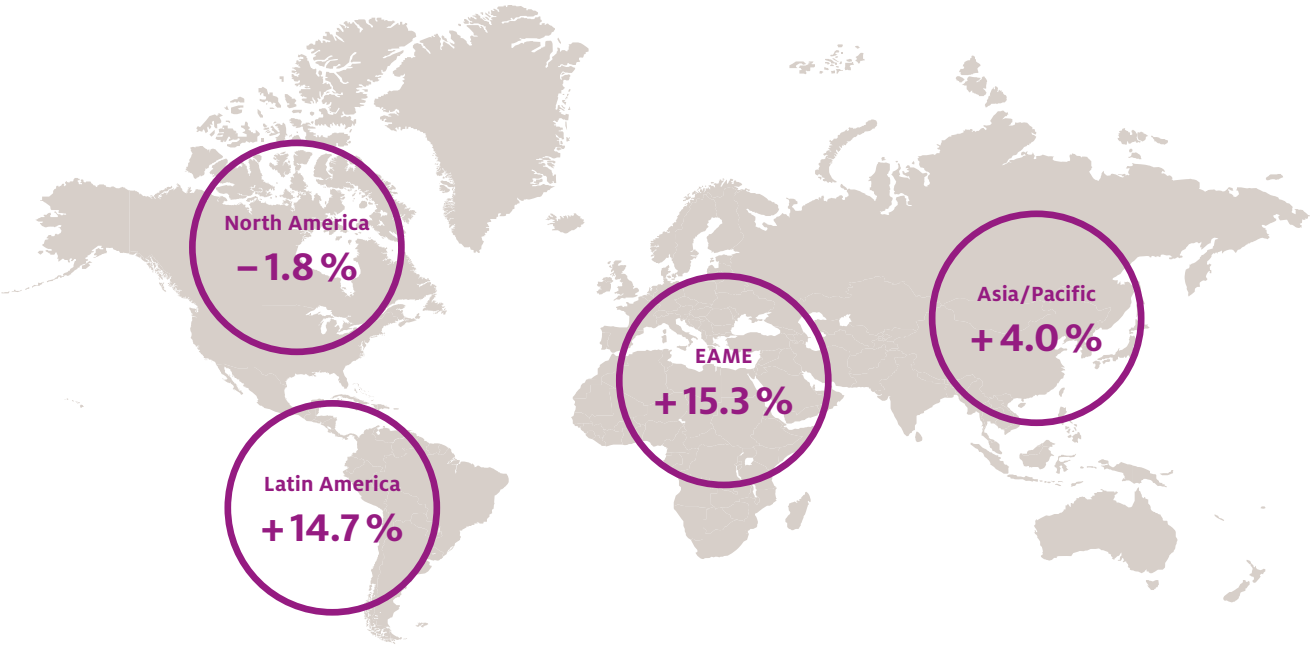
Sales by the Cosmetic Ingredients division continued to develop very positively, again posting double-digit percentage organic growth, especially in the EAME and Latin America regions. Sales also increased in North America and Asia/Pacific but by a smaller single-digit percentage. The strongest growth was posted by the sun protection business and the Micro Protection business unit.

EBITDA Scent & Care: In 2023, Scent & Care generated adjusted EBITDA[1] of € 277 million, which was 4.9 % lower than in the previous year (2022: € 291 million), due especially to increased raw material prices and higher operating costs. As a result, the adjusted EBITDA margin[1] decreased to 15.8 % from 17.1 % in 2022.

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments

Development in the regions

(organic sales growth)



DEVELOPMENT IN THE REGIONS

Business in the EAME region developed positively, increasing organically by 15.3 % compared to the previous year. Sales development in North America saw a significant negative impact from the production stoppage at Colonels Island. In organic terms, the region's sales were 1.8 % lower than in the previous year. The Asia/Pacific region achieved organic sales growth of 4.0 % compared to the previous year. Sales development in Latin America was dynamic and delivered organic growth of 14.7 % compared to the previous year.

RESULTS OF OPERATIONS

DEVELOPMENT OF MATERIAL LINE ITEMS IN THE INCOME STATEMENT

Despite the good sales development, earnings performance in the 2023 fiscal year remained below expectations. The cost of goods sold increased slightly faster than sales, which was mainly attributable to higher raw material and manufacturing costs. The gross margin in the reporting year was 36.8 %, virtually level with the previous year's figure of 36.9 %. The share of selling and marketing expenses in Group sales declined from 14.7 % in 2022 to 14.2 % in the reporting year. This decrease was primarily attributable to lower logistics costs. Compared to the previous year, the R & D rate relative to sales increased from 5.5 % to 5.6 %, due especially to higher expenses for basic research in both segments. Administration expenses as a share of Group sales grew from 5.6 % a year earlier to 5.8 % in the reporting year, in particular as a result of increased IT system costs.

The decrease in other operating income is attributable primarily to the lack of the previous year's positive one-time effects in connection with the sale of the Velcorin® business as well as the partial sale of the celery business in North America, each amounting to around € 18 million in 2022.

Moreover, earnings were depressed by negative currency translation effects and smaller contributions from companies accounted for using the equity method.

Adjusted EBITDA[1] amounted to € 903 million, € 18 million lower than the previous year's value[2] (2022: € 922 million). The adjusted EBITDA margin[1] of 19.1 % was also below the previous year's value[2] of 20.0 %.

1 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments.

2 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden

ALTERNATIVE PERFORMANCE INDICATORS

The management report and financial statements of the Symrise Group are prepared in accordance with applicable accounting standards. In addition to the disclosures and performance indicators required by these standards, Symrise also publishes alternative performance indicators that are not subject to these regulations and for which there is no generally accepted reporting standard. Symrise calculates these alternative performance indicators with the aim of facilitating the comparability of its performance over time and vis-à-vis other companies in the industry. The alternative performance indicators apply to all periods and are used both internally to manage the business and measure performance and externally by analysts and investors to assess the company's performance. Symrise calculates the following alternative performance indicators:

- Nominal and organic changes in sales and changes due to portfolio and currency translation effects
- EBITDA
- EBITDA margin
- Adjusted EBITDA
- Adjusted EBITDA margin
- EBIT
- EBIT margin
- Adjusted EBIT
- Adjusted EBIT margin
- Business free cash flow
- Adjusted business free cash flow
- Adjusted business free cash flow margin

The (nominal) **change in sales** is a relative performance indicator that describes the percentage change in sales compared to the previous year. The **organic** change in sales describes the percentage change in sales compared to the previous year, excluding the influence of portfolio and currency translation effects. The change **due to portfolio effects** shows the share of the change in sales that is attributable to the acquisition or sale of business activities or subsidiaries in the period under review. The change in sales **due to currency translation effects** provides information about the change in sales resulting from changes in the exchange rates used to translate foreign currencies into the reporting currency.

EBITDA stands for earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets. This performance indicator describes a company's operating earning power, irrespective of its capital structure and investment level. EBITDA is calculated on the basis of EBIT plus the depreciation and amortization of property, plant and equipment and intangible assets recognized through profit or loss during the reporting period.

EBIT stands for earnings before interest and taxes and describes a company's performance capability, excluding the effects of different international taxation systems and financing activities.

In order to strengthen the company's cash flow orientation, Symrise has introduced **business free cash flow** as the primary internal control variable. The business free cash flow consists of EBITDA, investments (including cash effects from leasing) and changes in working capital.

The **EBITDA margin** and **EBIT margin** are relative indicators used by Symrise for the internal and external comparison of operating earning power. The indicators are calculated on the basis of EBITDA or EBIT in relation to sales. Symrise uses these indicators in particular for the internal and external comparison of the cost structure and profitability of its businesses.

The **business free cash flow margin** is a relative performance indicator which describes business free cash flow in relation to sales.

In the 2023 fiscal year, as a result of special circumstances, the aforementioned indicators were adjusted for the following one-time effects:

- Costs in connection with the production stoppage at the Colonel Island site (€ 46.5 million)
- Reorganization costs resulting from the new strategic focus of the Scent & Care segment (€ 4.3 million)
- Costs associated with antitrust investigation (€ 5.8 million)
- Income from an insurance reimbursement for a cybersecurity incident in 2020 (€ 4.8 million)

Outlook

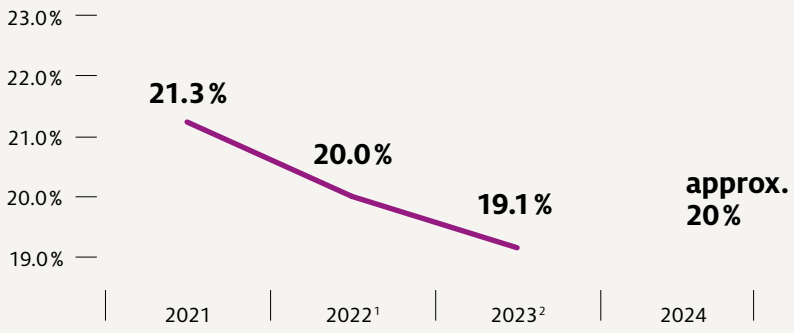
Framework

Global economic growth
2.4 %

Market growth
3 – 4 %

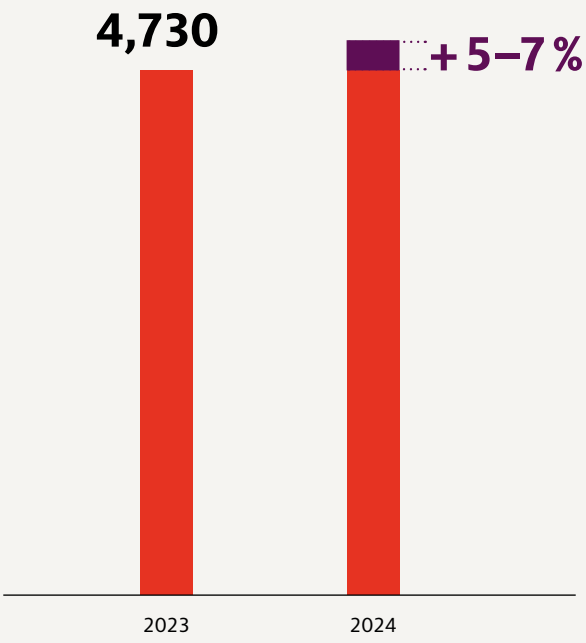
Commodity prices largely stable

EBITDA MARGIN



1 Excluding impairment of the associated company Swedencare AB, Malmö, Sweden
2 Adjusted for one-time effects; please refer to the "Alternative performance indicators" section on page 143 for details about the adjustments.

ORGANIC SALES GROWTH
in € million



EXPECTATIONS

Business free cash flow in relation to sales
~ 12 % in 2024
14 % in the medium term

Net debt / EBITDA
(including pensions and similar obligations as well as lease liabilities)
2.6 – 2.8

Investments in relation to sales
~ 6 %

FUTURE COMPANY DEVELOPMENT

For 2024, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market. According to IAL Consultants, the forecast long-term growth of the relevant market is around 3 % to 4 % worldwide. For the Group, expected long-term growth of 5 % to 7 % (CAGR) remains unchanged and is also anticipated to be achieved in 2024. The company aims to generate sales of € 5.5 to 6.0 billion by the end of 2025. In addition, Symrise recently extended its long-term growth expectation to 2028 and aims to generate sales of € 7.5 to 8.0 billion by that time.

In order to increase earnings and profitability further, the company will be implementing targeted measures that include an efficiency program with disciplined cost management and initiatives to reduce process and workflow complexity and optimize the global production network and the portfolio with a focus on high-margin businesses. Moreover, the development of innovative sustainable products and technologies continues to be a fundamental aspect of the Symrise strategy.

Assuming that prices for raw materials remain largely stable, the Group expects an EBITDA margin for 2024 of around 20 %, which is at the lower end of the target corridor. In the medium term, the Group is seeking to maintain an EBITDA margin between 20 % and 23 %. The ratio of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA should be between 2.6 and 2.8 at the end of 2024. For the business free cash flow, the Group is aiming for a rate relative to sales of 12 % in 2024. The medium-term target is a rate of 14 %.

The company will continue its earnings-oriented dividend policy and give its shareholders an appropriate share in the company's success.

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

The Executive Board at Symrise AG sees the company as being optimally positioned to continue developing in every division and growth region. A proven strategy will be used to achieve the goals set. The three pillars of the strategy remain unchanged. They stand for the continued improvement of the competitive position and the sustainable expansion of the business:

- **Growth:** Close cooperation with selected customers, particularly as a way to further expand the share of sales in emerging markets
- **Efficiency:** The continuous improvement of processes and the expansion of backward integration with renewable raw materials
- **Portfolio:** Tapping into new markets and market segments beyond the traditional business with flavors and fragrances

Symrise aims to grow primarily organically. Where it is expedient and creates added value, the Group will make acquisitions or forge strategic alliances to ensure access to new technologies, new markets and customers or ensure that it can obtain sustainable, renewable raw materials.

Corporate Governance Statement

The Corporate Governance Statement has been made available on the Symrise AG website at: **https://www.symrise.com/corporate-governance-statement**

Consolidated Income Statement

€ thousand	Notes	2022	2023
Sales	4	4,618,476	4,730,187
Cost of goods sold	5	– 2,916,399	– 3,037,616
Gross profit		**1,702,077**	**1,692,571**
Selling and marketing expenses	7	– 680,623	– 675,828
Research and development expenses	8	– 254,487	– 265,705
Administration expenses	9	– 257,915	– 275,794
Other operating income	10	113,947	79,685
Other operating expenses		– 5,754	– 4,798
Result of companies accounted for using the equity method	21	12,858	9,231
Impairment loss on investments accounted for using the equity method	21	– 126,126	0
Income from operations/EBIT		**503,977**	**559,362**
Financial income		8,727	14,957
Financial expenses		– 81,591	– 109,370
Financial result	**11**	**– 72,864**	**– 94,413**
Earnings before income taxes		**431,113**	**464,949**
Income taxes	12	– 140,417	– 120,005
Consolidated net income		**290,696**	**344,944**
of which attributable to shareholders of Symrise AG		280,007	340,473
of which attributable to non-controlling interests		10,689	4,471
Earnings per share (€)			
diluted and basic	**14**	2.00	2.44

Consolidated Statement of Financial Position

€ thousand	Notes	December 31, 2022	December 31, 2023
ASSETS			
Current assets			
Cash and cash equivalents	15	314,857	393,026
Trade receivables	16	856,035	868,305
Inventories	17	1,327,559	1,255,845
Other assets and receivables	18	137,570	131,256
Income tax assets	12	47,820	53,743
		2,683,841	**2,702,175**
Non-current assets			
Intangible assets	19	2,900,001	2,772,407
Property, plant and equipment	20	1,565,887	1,669,009
Other assets and receivables	18	54,699	56,650
Investments in companies accounted for using the equity method	21	521,025	582,416
Deferred tax assets	22	57,510	62,956
		5,099,122	**5,143,438**
TOTAL ASSETS		**7,782,963**	**7,845,613**

Consolidated Statement of Financial Position

€ thousand	Notes	December 31, 2022	December 31, 2023
LIABILITIES			
Current liabilities			
Trade payables	23	529,605	489,324
Borrowings	24	27,040	30,100
Lease liabilities	25	27,167	32,830
Other provisions	27	14,636	7,056
Other liabilities	4, 26	274,813	259,222
Income tax liabilities	12	98,055	118,049
		971,316	**936,581**
Non-current liabilities			
Borrowings	24	2,365,598	2,343,495
Lease liabilities	25	127,610	152,247
Other provisions	27	29,118	28,464
Provisions for pensions and similar obligations	29	459,446	499,920
Other liabilities	26	6,567	6,588
Deferred tax liabilities	22	212,877	192,118
		3,201,216	**3,222,832**
TOTAL LIABILITIES		**4,172,532**	**4,159,413**
EQUITY	30		
Share capital		139,772	139,772
Capital reserve		2,180,722	2,180,722
Reserve for remeasurements (pensions)		– 92,444	– 110,285
Cumulative translation differences		– 67,477	– 161,900
Retained earnings		1,388,368	1,581,019
Other reserves		2,431	1,944
Symrise AG shareholders' equity		**3,551,372**	**3,631,272**
Non-controlling interests		59,059	54,928
TOTAL EQUITY		**3,610,431**	**3,686,200**
LIABILITIES AND EQUITY		**7,782,963**	**7,845,613**

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Mühlenfeldstrasse 1
Corporate Communications
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Forward-Looking Statements
This Corporate Report contains forward-looking statements that are based on current assumptions and forecasts by Symrise AG. The future course of business and the results actually achieved by Symrise AG and its affiliates are subject to a large number of risks and uncertainties and may therefore differ substantially from the forward-looking statements. Many of these factors are outside of Symrise AG's sphere of influence and cannot be assessed in detail ahead of events. They include, for example, unfavorable development of the global economy, a change in consumer behavior, and changes to laws, regulations and official guidelines. Should one of these uncertainty factors, named or otherwise, occur or should the assumptions on which the forward-looking statements are based prove to be incorrect, the actual results may differ significantly from the results anticipated. Symrise undertakes no obligation to update forward-looking statements continuously and to adjust them to future events or developments.

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