

always  
inspiring more...

symrise 

Sharing Values

# Creating resources with a circular economy

Corporate Report  
2022

KEY FIGURES OF THE GROUP		2018	2019 <sup>1</sup>	2020	2021 <sup>2</sup>	2022 <sup>3</sup>
<b>Business</b>						
Sales	€ million	3,154	3,408	3,520	3,826	4,618
EBITDA	€ million	631	701	742	814	922
EBITDA margin	in%	20.0	20.6	21.1	21.3	20.0
EBIT	€ million	434	472	488	559	630
EBIT margin	in%	13.8	13.8	13.8	14.6	13.6
Net income	€ million	275	296	307	375	406
Balance sheet total (as of December 31)	€ million	4,920	5,953	5,940	6,673	7,783
Capital ratio (as of December 31)	in%	39.5	41.3	39.8	48.7	46.4
Investments (without M&A)	€ million	226	182	159	174	270
Net debt (incl. pension provisions and similar obligations (as of December 31))	€ million	1,893	2,222	2,029	1,964	2,692
Research and development expenses	€ million	200	213	212	221	254
Operating cash flow	€ million	442	547	636	522	360
<b>Capital Market</b>						
Shares issued as of balance sheet date	millions	129.8	135.4	135.4	139.8	139.8
Share price at end of fiscal year (Xetra® closing price)	in €	64.50	93.80	108.40	130.30	101.7
Market capitalization at end of fiscal year	€ million	8,373	12,703	14,680	18,212	14,208
Earnings per share	in €	2.12	2.20	2.27	2.74	2.91
Dividend per share	in €	0.90	0.95	0.97	1.02	1.05 <sup>4</sup>

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

OUR FIVE GOAL DIMENSIONS		2020	2021	2022	Goal 2025
<b>Business</b>					
Organic sales growth	in%	2.7	9.6	11.4	5–7 (CAGR) <sup>7</sup>
EBITDA margin <sup>1</sup>	in%	21.1	21.3	20.0	20–23
<b>Footprint (environment)</b>					
Eco-efficiency of greenhouse gas emissions (Scope 1+2) <sup>2</sup>	in%	13.0	11.3	10.4	6.6 p. a.
Absolute greenhouse gas emissions (Scope 3)	in%		4.0	6.6	3.0 p. a.
Eco-efficiency of chemical oxygen demand in wastewater <sup>2</sup>	in%	–22.6	34.8	11.2	4.0 p. a.
Eco-efficiency of sensitive waste <sup>2</sup>	in%	19.8	2.2	3.8	4.0 p. a.
Water use <sup>3</sup>	in%	–3.1	7.2	–4.3	–3.0 p. a.
<b>Innovation</b>					
Sales with new product developments <sup>4</sup>	in%	15.4	16.7	15.1	> 15.0
<b>Sourcing</b>					
Suppliers rated according to sustainability criteria <sup>5</sup>	in%	67	73	87	100
Sustainable sourcing of strategic biological raw materials	in%	72	84	88	100
<b>Care (employees)</b>					
Women in the first management level	in%	28	20	16	30
Women in the second management level	in%	42	38	37	45
Accident frequency	MAQ <sup>6</sup>	3.0	3.8	2.8	< 1.5

1 2022 Excluding impairment of the associated company Swedencare

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

We can only design sustainable solutions for the future if we think ideas through to the end. For us, this is routine. We focus on innovative, efficient cycles every day, from research and development to raw materials purchasing to production – and if that's not possible, we try to recover all valuable materials to give them a second life. This allows us to manufacture products with the smallest possible environmental footprint so we can enrich the lives of millions of consumers worldwide.



# About Symrise

Symrise has been growing strongly and profitably for years. This is because we think long-term and we offer our customers sustainable, innovative solutions for healthy nutrition and modern personal care. We tap into new fields of business and combine our traditional strengths in fragrances and flavors with the trends that will meet the needs of consumers tomorrow and beyond.

Our integrated corporate strategy brings our economic ambitions in harmony with our responsibility for nature and biodiversity, the environment and climate, humans and animals. Our long-term value creation benefits all the stakeholders of the company.

# 7,783

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Balance sheet total in € million

# 4,618

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Sales in € million

# 922

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EBITDA in € million<sup>1</sup>

# 406

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Net income in € million<sup>1</sup>

<sup>1</sup> Excluding impairment of the associated company Swedencare



## Future from tradition

The brand Maison Lautier is more than 150 years old. Symrise has revived it to create a comprehensive portfolio of natural substances for perfumery.

**“Embracing traditions, shaping the future” page 66**

# Using synergy effects

In France, Symrise has acquired the two fragrance manufacturers Groupe Néroli and SFA Romani, whose 200 employees complement each other perfectly in many areas.

**“All for one, one for all” page 72**





## Sustainable diversity

In the USA, Symrise buys natural mint oils  
that are sustainably produced there.  
They provide a variety of flavor profiles.

**“Pure refreshment” page 42**







# Hibiscus on trend

Symrise is the first company in the industry to purchase sustainably grown hibiscus. The raw material has been a strong trend in food for some time.

**“The beauty of deep red” page 50**



## Unique ingredient

To make fragrance blends particularly distinctive, Symrise develops captives. The patented ingredients also ensure that compositions cannot be copied.

**“One of a kind” page 78**

# The egg circle

In the Netherlands, Symrise uses all the egg components that cannot be used in hatcheries as animal food ingredients. This is an important contribution to the circular economy.

**“Egg experts” page 58**





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## Symrise Reporting 2022



### CORPORATE REPORT

About our company – facts, reports, insights



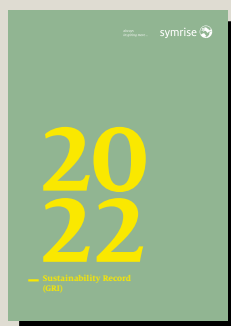
### FINANCIAL REPORT

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



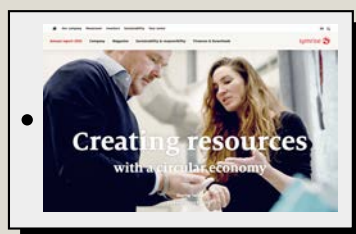
### GRI SUSTAINABILITY RECORD (PDF)

Sustainability reporting including separate non-financial report in accordance with Section 289b of the German Commercial Code (HGB)



### REMUNERATION REPORT

for the 2022 fiscal year in accordance with Section 162 of the German Stock Corporation Act (AktG)



### CORPORATE REPORT AND SHORTENED FINANCIAL REPORT

Online at [www.symrise.com/corporatereport/2022/](http://www.symrise.com/corporatereport/2022/)

# Dear readers and friends of Symrise,

■ We first published our regularly updated sustainability strategy 13 years ago and have since demonstrated that we can operate both sustainably and profitably. In fact, we managed to increase sales in 2022 for the 17th year in a row. But just as important as our current situation is the need to keep our sights set on the future. It's essential to protect and preserve the foundation of our business, which is dependent on nature and its biodiversity. Our goals are clear: We plan to be climate-positive in 2030 and thus do our part to ensure sustainable business.

The basic element for that is the circular economy, which is also the focus of our stories in this year's Corporate Report. We have always made an effort to utilize 100% of our raw materials in various ways. We also use by-products, which are value-adding materials sourced from many processes that would otherwise be disposed of, including the oils from the peels left over from orange juice production as well as by-products of the paper industry, from which we produce fragrance ingredients. We also process eggs that are unsuitable for human consumption into important components for pet food.

This sustainable approach is applied to all of the processes and in recent years has also entailed diversification of our business model, ensuring we're better able to withstand crises. By 2028, we plan to achieve half of our sales in business units that don't belong to our traditional flavor and fragrance portfolio. In addition, we continue to rely on our extensive regional presence and customer base, which allows us to successfully respond to the major challenges of these years. Despite the war in Ukraine, raw material scarcity, delayed supply chains, a drastic increase in energy costs and high inflation, we've again achieved an EBITDA margin<sup>1</sup> of 20%.

Our individual business units have performed very well in the highly volatile market environment. The demand for pet food has increased significantly once again, resulting in healthy, double-digit growth in our Pet Food division. As a result, we're expanding our capacities in China, North America, Brazil and France and, with the acquisition of Schaffelaarbos and Wing Pet Food, have ensured even more diversity and depth in the portfolio. The Taste, Nutrition & Health segment, to which pet food belongs, has also experienced healthy growth, due in part to the fact that sales have increased, for example, in the Food & Beverage division. People are doing more in their free time and eating out more often.

We've also significantly consolidated our range in the Scent & Care segment with the acquisition of companies Groupe Néroli and SFA Romani in southern France. The approximately 200 employees will be working closely with our Maison Lautier brand and our other fragrance experts, allowing us to leverage many synergies here. In recent years, sales have increased drastically here and in the Cosmetic Ingredients division.

<sup>1</sup> Excluding impairment of the associated company Swedencare





From left to right:

**Dr. Jörn Andreas**, President Scent & Care // **Dr. Stephanie Coßmann**, President HR & Legal and Labor Director // **Dr. Heinz-Jürgen Bertram**, CEO // **Dr. Jean-Yves Parisot**, President Taste, Nutrition & Health // **Olaf Klinger**, CFO

There's also important news regarding our Executive Board, which now has two new members. That's because we, as a fast-growing group, need to optimize distribution of our resources across the board in order to fulfill our many future responsibilities to the best of our ability. Dr. Jörn Andreas, who until recently was in charge of the Cosmetic Ingredients division at Symrise, will take over the Scent & Care segment, which was temporarily managed by Chief Executive Officer Dr. Heinz-Jürgen Bertram. Jörn Andreas has held various management positions at Symrise and overseen numerous mergers and acquisitions as well as strategic initiatives. Experienced manager Dr. Stephanie Coßmann, who previously

was a member of the Board of Management and Head of HR at Lanxess AG, will assume responsibility for the newly created Human Resources and Legal department. Working with them and all of our employees who develop our sustainable, safe and customized products, we will continue to ensure quality of life, beauty and well-being – as well as consolidate our already close partnerships with all of our company's other stakeholders. You can read about how we plan to do that in many areas of our Corporate Report 2022.

#### **The Executive Board of Symrise AG**



# Our Company

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# Our company

Symrise products provide exciting flavor and fragrance experiences, improve food characteristics, and contribute to the health and well-being of consumers in roughly 150 countries around the world. A dedicated focus on our customers, a high level of innovation and targeted expansion into new markets represent the basis for our sustainable profitable growth.



■ Symrise develops, produces and sells fragrance, flavoring and food ingredients, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products. Our company's approximately 35,000 products are mainly produced on the basis of natural raw materials such as vanilla, citrus fruits, onions, fish, meat, blossoms and plant materials. Our flavors, substances, perfume oils and sensory solutions are often central functional components for our customers' end products. These customers include manufacturers of perfumes, cosmetics and foods, the pharmaceutical industry and producers of nutritional supplements, pet food and baby food.

Our company's origins go back to the year 1874. Symrise has since grown to achieve a current market share of 12% – making it one of the leading suppliers of flavors and fragrances as well as nutrition in the global market. A high level of innovation and creativity, an exact knowledge of customer needs and various regional consumer preferences as well as targeted expansion into new and promising market segments contribute to our company's above-average growth rate. Today, Symrise has more than 12,000 employees working at more than 100 sites around the world who serve more than 6,000 customers in approximately 150 countries.

The growth of Symrise is primarily organic. We reinforce the expansion of our business activities with targeted investments in capacity expansions, research and development centers, our distribution network, logistics and an efficient energy supply. For years, this has enabled us to grow more quickly than the market. We complement this growth by acquiring attractive companies that bring additional competencies into the Group and provide us with access to new market segments and customer groups. We also enter into strategic partnerships to develop new products.

The operating activities of the Symrise Group are managed in two segments: Taste, Nutrition & Health and Scent & Care. The divisions within these segments are organized according to business units and regions.

The Group's Corporate Center is located in Holzminden, Germany. Key corporate functions such as governance and control, communications and administration are located there. Symrise has regional headquarters in France (Rennes), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore.

# Our impact

Symrise thinks today about tomorrow and the day after tomorrow. And we think in multi-dimensional terms, considering all the interactions and connections between business, environment and society. The successful development of our company should benefit all stakeholders.



## Business

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



## Footprint

- Contribution to climate protection
- Conservation of the environment and natural resources
- Maintaining biodiversity
- Sustainability in supply chains



## Innovation

- Drivers of innovation and progress
- Acceleration of digital transformation



## Products and product solutions






- Improve the competitive position of our customers through innovative and creative products and solutions
- Expand number of sustainably generated products
- Develop of new markets, market segments and applications



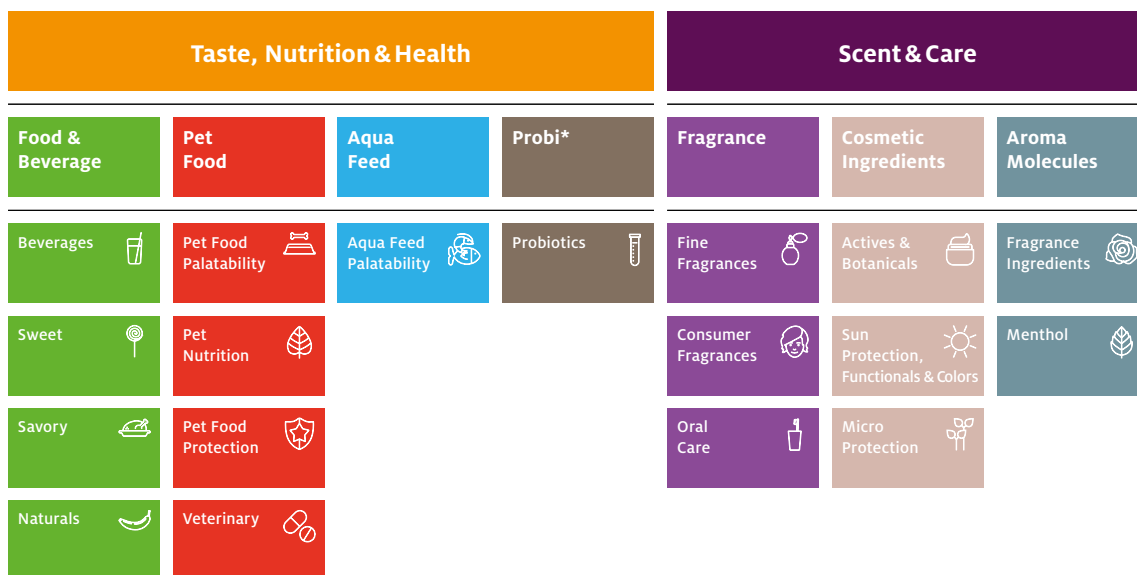
## Care

- Ensure and expand attractive job positions for our employees
- Invest in training and education of young people
- Improve living conditions in producing countries
- Provide donations and sponsorship for social projects worldwide

# Our resources

 <p><b>BUSINESS</b></p>	<p>Equity:</p> <p><b>3,610</b> € million</p>	<p>Debt capital:</p> <p><b>2,393</b> € million</p>	<p>Investments in property, plant and equipment and intangible assets (excluding acquisitions):</p> <p><b>270</b> € million</p>
 <p><b>FOOTPRINT</b></p>	<p>Energy consumption:</p> <p><b>7,342</b> terajoules</p>	<p>Water use:</p> <p><b>8,304</b> thousand m<sup>3</sup></p>	<p>Symrise suppliers save</p> <p><b>340</b> € million from emission reduction initiatives</p>
 <p><b>INNOVATION</b></p>	<p>Expenses for research and development:</p> <p><b>254</b> € million</p>	<p>Number of employees in research and development:</p> <p><b>1,828</b></p>	<p>Number of research partners:</p> <p><b>&gt; 50</b></p>
 <p><b>SOURCING</b></p>	<p>2,102 € million procurement volume</p>	<p>Approximately <b>10,000</b> natural and synthetic raw materials from more than 100 countries</p>	<p><b>87 %</b> Share of main suppliers based on 90% of purchasing volume rated according to sustainability criteria</p>
 <p><b>CARE</b></p>	<p>Number of employees: More than <b>12,000</b></p>	<p>Employees from more than <b>60</b> home countries at Symrise</p>	<p>Proportion of women: <b>16%</b> first management level <b>37%</b> second management level</p>

# Our application areas



\* Majority shareholders in the Swedish company Probi AB

OUR RESOURCES / OUR APPLICATION AREAS

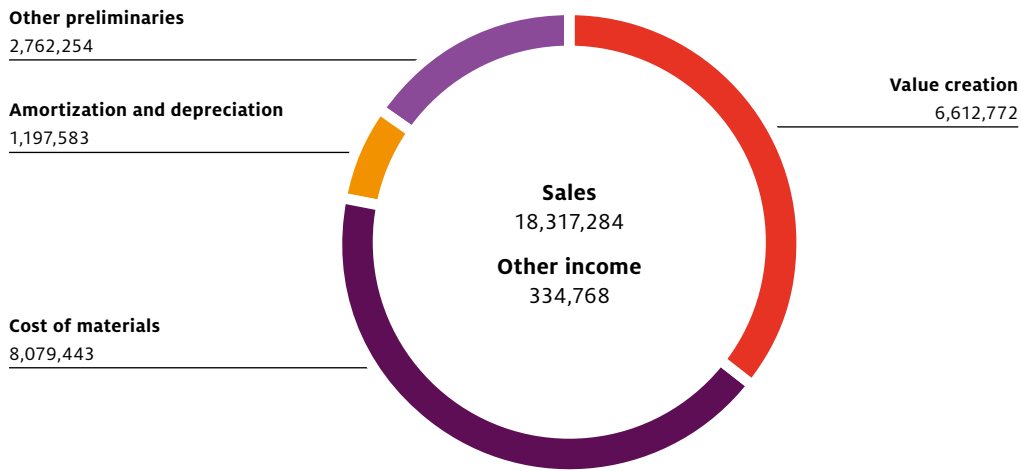
**Taste, nutrition, health and well-being, as well as scent, care and good looks – Symrise provides sustainable solutions using natural base materials.**

Our wide range of activities offers opportunities for growth, stabilizes business performance and gives Symrise an unmistakable profile. Through commitment and creativity, we develop innovative concepts for our customers' products that meet global consumer desires

for naturalness, traceability of ingredients, new taste and scent experiences, sustainability and effects that foster good health. The Taste, Nutrition & Health and Scent & Care segments allow us to consolidate our skill sets. This means we can provide even more comprehensive product solutions to our customers, leverage synergies in research and customized product development, and optimize the use of natural ingredients in a manner that is in line with the circular economy. We create tangible added value for our customers, consumers and the environment.

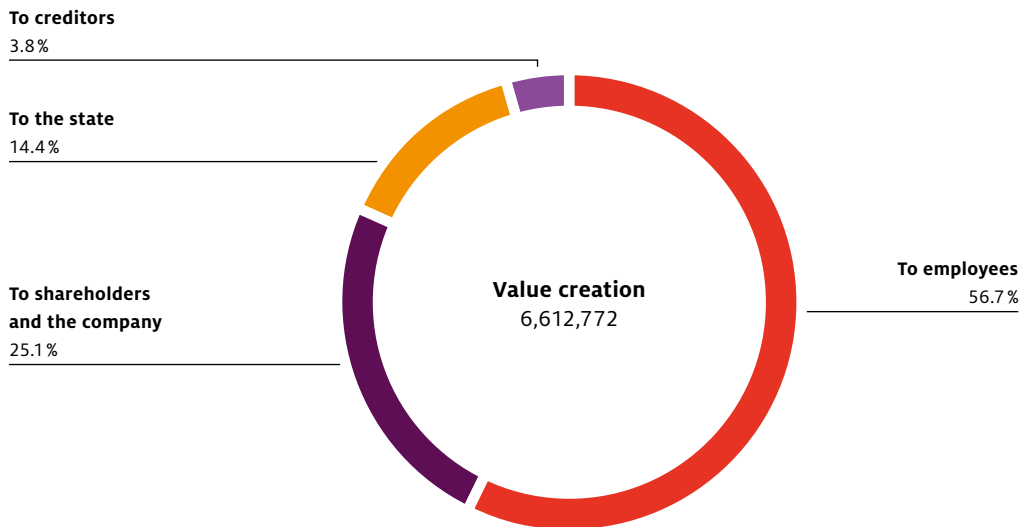
# Our value creation

2018–2022 in thousand €



Value added

OUR VALUE CREATION / OUR RESULTS









Use

From 2018 to 2022 alone, Symrise generated added value totaling € 6.6 billion on cumulative sales revenues of € 18.3 billion. We use a wide variety of resources to generate value for many stakeholder groups as part of our proven, future-oriented business model. We are aware of the fact that our company bears respon-

sibility for the profitable use of the capital entrusted to us, for the efficient use and protection of natural resources, for the welfare of our employees and for social interests. We want to continuously increase our added value and continue to meet our responsibility to the environment and society.



# Our results

<p>Sales:</p> <p><b>4,618</b> € million</p>	<p>EBITDA<sup>1</sup>:</p> <p><b>922</b> € million</p>	<p>Net income<sup>1</sup>:</p> <p><b>406</b> € million</p>	<p>BUSINESS</p> 
<p>Carbon dioxide emissions:</p> <p><b>294,392</b> tons – Scope 1</p> <p><b>0</b> tons – Scope 2</p> <p><b>1,566,239</b> tons – Scope 3</p>	<p>Wastewater:</p> <p><b>4,730</b> thousand m<sup>3</sup> Total wastewater volume</p> <p><b>7,499</b> tons Chemical oxygen demand</p>	<p>Sensitive waste:</p> <p><b>18,316</b> tons</p>	<p>FOOTPRINT</p> 
	<p><b>71</b> Number of patents submitted</p>	<p><b>15.1 %</b> Share of sales from new product developments<sup>3</sup></p>	<p>INNOVATION</p> 
<p>Approximately</p> <p><b>35,000</b> products for more than 6,000 customers, in more than 150 countries</p>	<p><b>85 %</b> of our suppliers<sup>2</sup> are reporting operational GHG emissions</p>	<p><b>90 %</b> of our suppliers<sup>2</sup> integrate water into their strategy and long-term business objectives</p>	<p>PRODUCTS AND SOLUTIONS</p> 
<p><b>48 %</b> of all promotions go to women</p>	<p><b>35 %</b> of our employees have been with Symrise for ten years or longer</p>	<p><b>110</b> employees posted abroad ensure the global transfer of our expertise</p>	<p>CARE</p> 

<sup>1</sup> Excluding impairment of the associated company Swedencare

<sup>2</sup> Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program

<sup>3</sup> Relative to market launch in the past three years



- Sharing values
- Our purpose
- Our integrated corporate strategy
- Our track record and goals

# Sharing values

Shared values form the basis for shared goals at Symrise: striving for economic success while actively taking on responsibility for the environment and climate, employees and society. Sustainability is an integral part of our business model. Our long-term value creation benefits all the stakeholders of the company.

Successful companies distinguish themselves through their strong corporate cultures. Symrise is a perfect example of this. Our employees in more than 40 countries around the world share common values as the basis for shared goals. Our values describe our attitude and team spirit we are committed to at Symrise. They explain the manner in which we want to achieve our goals:



**Creativity:** The driver innovation with which we bring our claim of “*always inspiring more...*” to life.



**Excellence:** Outstanding performance for customers, consumers and markets.



**Sustainability:** We are all responsible for the world we live in.



**Engagement:** We encourage and challenge our employees, value independent action and consider our employees and their diversity to be the key to our success.



**Integrity:** Trust and honesty serve as the foundation of collaboration. This is as true in working with fellow employees as it is with all of our stakeholders.



**Added value:** Intelligent additional benefits and integrated services for our customers, attractive and healthy product solutions for consumers and sustainable growth for Symrise.

Symrise is one of the world’s leading suppliers of custom fragrance, taste and nutrition solutions, many with health-promoting or nurturing characteristics. We want to further secure and expand this position by constantly being among the most profitable companies in the industry. Above-average sales growth, steady increases in efficiency, and targeted expansion and optimization of the product portfolio are key levers for achieving this goal.

Symrise assumes responsibility that goes beyond the company itself. It takes its customers and consumers, its employees, society and the environment into consideration. Sustainability is a core component of the business model at Symrise. Our corporate strategy integrates economic ambitions with our four sustainability approaches: footprint, innovation, sourcing and care. This is how we reduce risks, open up our chances for growth and secure the future of our company.

# We develop sustainable 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.

### And we are proud –

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

Economic success, sustainability and social acceptance are inextricably linked. We believe this wholeheartedly. For this reason, we have made sustainability an integral part of our corporate strategy at Symrise. The goal is to continuously increase the value of the company and to minimize risks. This way we strengthen the future viability of our company.

■ Symrise has set itself the goal of increasing its sales to an amount of € 5.5 billion to € 6.0 billion by 2025. At the same time, humanity is living beyond its means concerning the climate, environment and resource consumption – which is exacerbated by the fact that the global population surpassed 8 billion in November 2022. How does that fit together? The only solution can be to decouple our economic activities from the consumption of limited resources, which is why we apply the principles of the circular economy to our portfolio of raw materials and products wherever possible. This entails the elimination of waste and environmental pollution, the circulation of nonrenewable resources in cycles and the sustainable extraction of renewable resources while simultaneously regenerating nature. Symrise applies the principles of the circular economy to each and every level of value creation, beginning with procurement, for which Symrise has developed a responsible sourcing strategy that encompasses all of the steps of the supply chain, takes environmental aspects into account and, more importantly, respects human rights.

The Symrise business model is based on the diversity of nature. We manufacture our approximately 35,000 products based on 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. Symrise has therefore always been committed to protecting biodiversity. Going far beyond this, we aim to increase our sustainability performance along the entire value chain. In 2020, we set a milestone in our sustainability concept with the goal of having climate-positive operations starting in 2030. From this point forward, the business activities of Symrise are

expected to contribute to preventing or sequestering more greenhouse gas emissions from the atmosphere than we produce through our operating activities.

The integrated corporate strategy at Symrise is based on the United Nations' Sustainable Development Goals and links our economic ambitions with the commitment to our four sustainability approaches:



#### **Environment / climate:**

Minimizing our environmental footprint



#### **Innovation:**

Maximizing the environmental added value of our products



#### **Sourcing:**

Maximizing the sustainability of our supply chain



#### **Employees / society:**

Creating lasting value for all stakeholders

Sustainability aspects play a role in the decision-making process across all levels and are a key factor with regard to the Executive Board’s remuneration. Our routine materiality analysis carried out in summer 2022 consisted of expert interviews, an online employee survey and in-depth discussions with the management and is a confirmation of this approach, as the issues of “climate protection and climate change adaptation,” “use of raw materials and the circular economy,” “environmental protection and biodiversity” and “procurement and human rights” are extremely important to Symrise. Please see the “Sustainability & responsibility” chapter for additional information on this materiality analysis.

In economic terms, Symrise focuses on three drivers, i. e. growth, efficiency and portfolio. In order to gain market share, we aim to achieve above-average organic sales growth of 5 % to 7 % (CAGR). One strategy is early, committed involvement in rapidly emerging markets. For example, Symrise has been present in Brazil since 1956, in China since 1982 and in India since 1994. In addition, we want to further deepen the collaboration with our customers by bringing our broad product range to them in an even more targeted manner. Furthermore, we make sure that we remain innovation leaders in our core competencies. Symrise invested € 270 million in property, plant and equipment and in intangible fixed assets (excluding acquisitions) in 2022 to reinforce its growth. In 2023, Symrise plans to implement projects in the

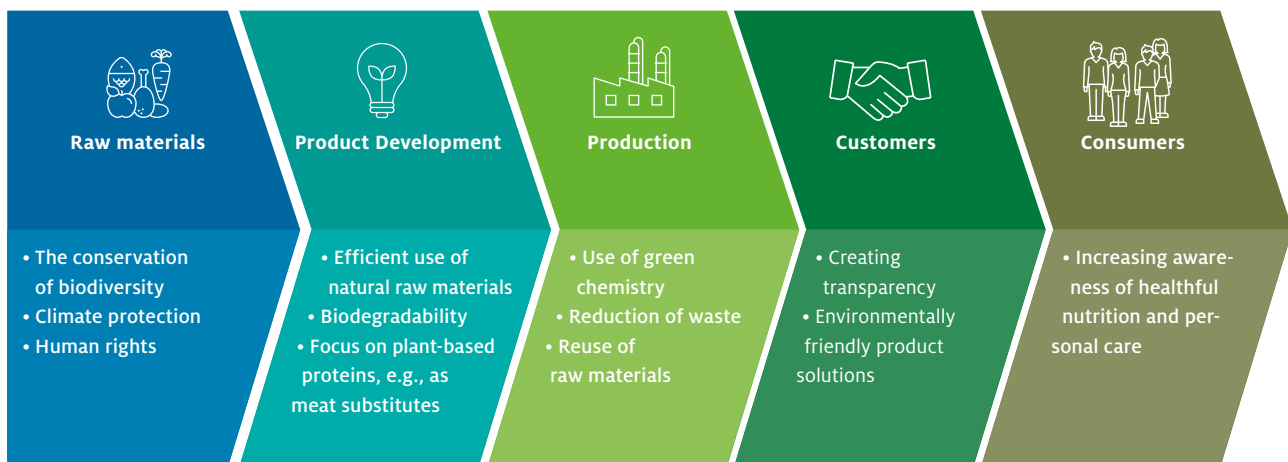
USA, China, Australia, Mexico and the Netherlands to expand the Pet Food business unit as well as establish a new liquid-flavor production in Holzminden, expand production facilities in Spain and build a spray dryer for powder production in Mexico.

These measures to increase efficiency support our goal of becoming one of the most profitable companies in the industry over the long term. They mainly concern the improvement of internal processes and optimization of the raw materials portfolio. When it comes to improving internal processes, the spectrum ranges from the Group-wide bundling of sourcing processes to warehousing and receivables management to the increased use of artificial intelligence (AI) in research and development. Optimization of the raw materials portfolio involves reducing the number of raw materials used, improving yields, expanding the backward integration of strategic raw materials and also ensuring traceable, reliable and consistently high-quality supplies. Backward integration also enables long-term social commitment in regions where vanilla, citrus fruits and patchouli are grown, for example.

With our integrated corporate strategy, measures to increase efficiency often go hand in hand with an increased contribution to sustainability. Efficient use of natural raw materials, for example, has a positive impact on both our profitability and the environmental impacts of our activities.

## THE INTEGRATED CORPORATE STRATEGY OF SYMRISE

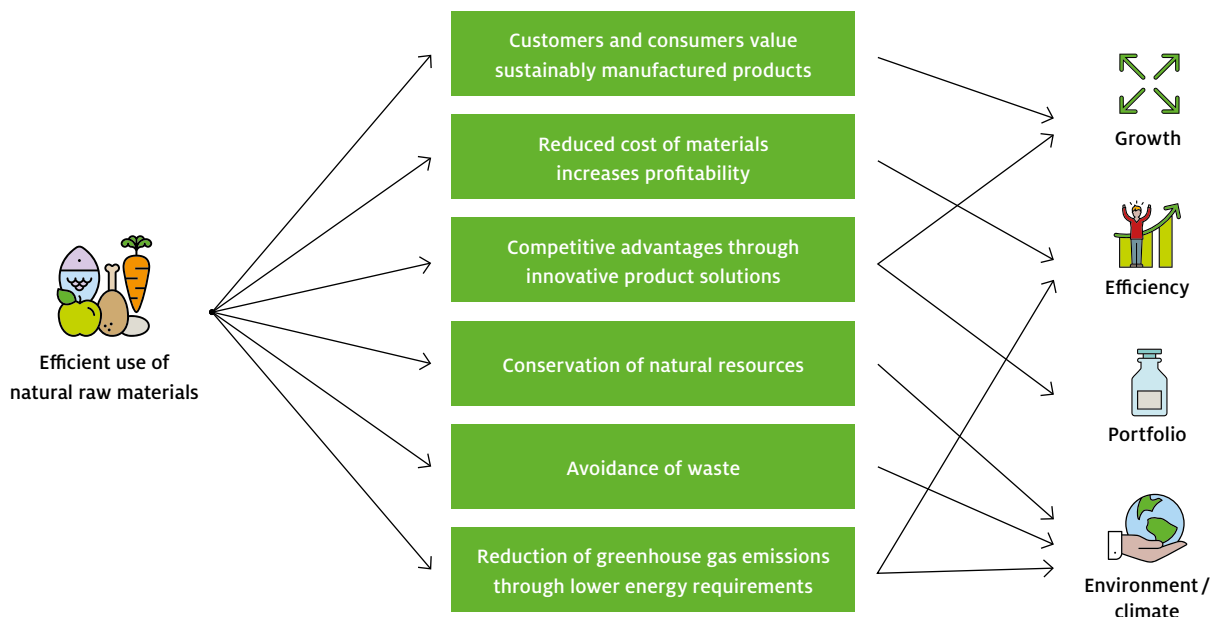
Sustainability along the value chain



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 the “Sustainability & Responsibility” chapter on page 88 ff. and our corporate website.

**A SETSCREW – MULTIDIMENSIONAL EFFECT**

One of many examples



What will our global customers and consumers want and need tomorrow, or the day after? Which of our products can achieve above-average margins thanks to our innovative strength and our expertise in sustainable product solutions? Which business areas outside the traditional fragrance and flavor industry are opening up new growth potential? The third pillar of our integrated corporate strategy – continuous optimization of our business portfolio – addresses these questions. 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 expanding at an annual rate of 7 % to 8%. Symrise was the first company in the industry to begin moving into neighboring business areas years ago. Today, we generate more than 30 % of our sales in new divisions. We aim to increase this proportion to 50 % over the next few years, for growth and profitability. This path of expansion is further reinforced by additional acquisitions and partnerships, including the purchase of Schaffelaarbos, a leading manufacturer of proteins sustainably sourced from eggs for pet food, and the acquisition of Wing Pet Food, which provides us with increased access to customers in the Asia / Pacific region.



Schaffelaarbos is one of the leading producers of sustainably sourced proteins from eggs used in pet food.



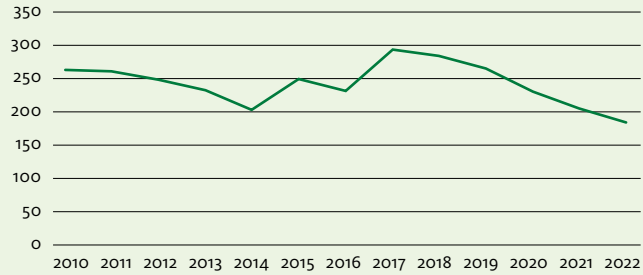
A strategic course set in 2021/2022 contributes to all three elements – growth, efficiency and portfolio. By concentrating our strengths in the Taste, Nutrition & Health segment, we can offer our customers an even more comprehensive value proposition and secure a higher level of added value for Symrise. Resource conservation based on the use of material flows also plays an essential role here. Our “One road to market” approach is ultimately driven by customers and creates a comprehensive range with a key focus on health, which is how Symrise is expanding its unique character. Our aim is to be a global market leader in the food, beverage and pet food industries.

Our integrated corporate strategy combines dynamic growth, sustained high profitability and continuous, tangible improvement in our sustainability performance. Even the core function of company financing incorporates sustainability aspects. For example, Symrise agreed to a revolving line of credit of € 500 million with specific sustainability components in May 2021 and then placed its first ESG-linked promissory note of € 750 million in April 2022. The purpose of these sustainable, “green” financial instruments is to finance strategic growth initiatives. Growth, profitability and sustainability will determine the future of our company.

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

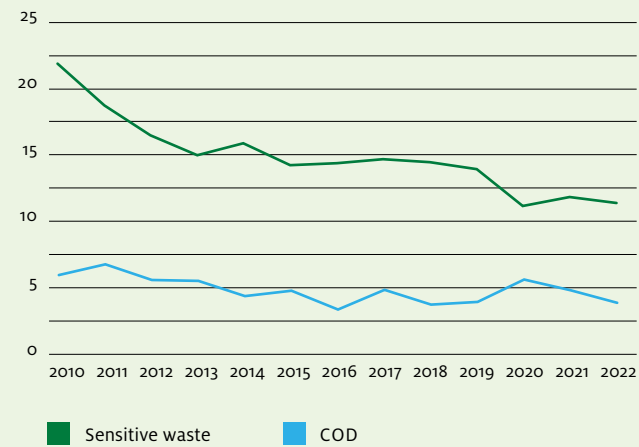
**GREENHOUSE GAS EMISSIONS**

CO<sub>2</sub> (t) / € million of added value



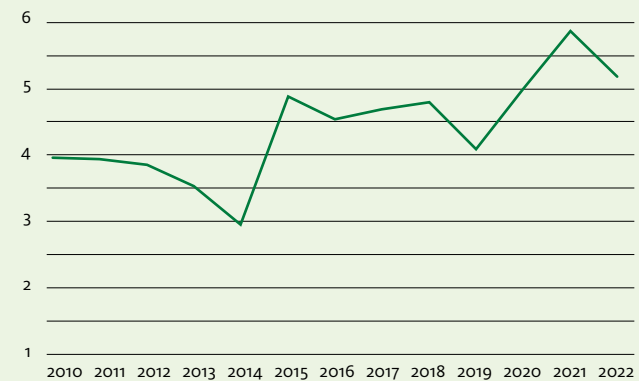
**SENSITIVE WASTE AND CHEMICAL OXYGEN DEMAND**

(t) / € million of added value



**WATER USE**

(m<sup>3</sup>) / € million of added value



# Making sustainability measurable

The European Union is introducing a new classification system with the EU taxonomy that defines environmentally sustainable business activities. Starting in 2022, companies will have to demonstrate how they take account of two environmental targets in their production technologies or investments, and a total of six targets starting in 2023. This does not only pertain to environmental but also to social issues. Symrise is well prepared for the complete taxonomy.

What does sustainability specifically mean in the context of economics – and what does it not? How can the company's own activities be assessed to determine which investments, for example in new plants or products, are sustainable? Companies have been asking these questions for some time. The EU taxonomy – the term represents a uniform classification procedure – should be the answer. It is part of the “European Green Deal,” which aims to make the EU the world's first carbon-neutral economy by 2050. It aims to direct private and public investments so that they finance the transformation to a sustainable economy.

For Symrise, the EU taxonomy is a good approach to this. “With its precise definitions, it provides a specific roadmap for how the European economy can become more sustainable,” says Bernhard Kott, Chief Sustainability Officer at Symrise. The development of the taxonomy is far from complete. So far, the EU has defined six overarching environmental targets, only the first two of which have been given precise criteria:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

Further environmental targets will follow in the coming years, as will a social taxonomy with targets in areas such as education and health. Only then all sustainability topics will be covered by the taxonomy, which Symrise summarizes under its pillars “footprint,” “sourcing,” “innovation” and “care.”

#### **Taxonomy eligible versus taxonomy aligned**

For the taxonomy, companies must first indicate whether they have taxonomy eligible economic activities. “Taxonomy eligible” means that the activity potentially contributes most to the achievement of the six environmental targets. It must then be verified whether these are actually taxonomy aligned – i. e., ecologically sustainable according to the criteria. To do this, they must comply with three central principles:



1. Significant contribution: Companies must make a significant and measurable contribution to at least one of the environmental targets based on the specific criteria.
2. Do no significant harm: The “Do no significant harm” principle (DNSH) applies to each target with regard to the five others – climate change mitigation, for example, should not be ensured at the expense of species preservation.
3. Minimum social standards: Before the social taxonomy is adopted, it should be ensured that the taxonomy eligible activities do not violate any minimum social standards – such as the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.

**Influence on Symrise**

The EU taxonomy is burdensome for Symrise, but it fits the company’s activities. “Transparency is a matter of course for Symrise,” says Head of Sustainability Bernhard Kott. “We have been reporting on our sustainability performance for more than ten years in accordance with all relevant standards, which we see as a guideline and a learning field.” Symrise therefore considers a uniform definition of the conditions under which economic activities are considered sustainable to be useful and helpful. “For many years, experts have complained about the lack of clear definitions for sustainable action,” Kott says. “The taxonomy now creates more comparability. Good sustainability performance becomes more visible and greenwashing more difficult. We also see these regulations as an opportunity for development.”

**EU taxonomy integration and results**

The regulation lists only those activities that can potentially make the greatest contribution to the six EU environmental targets. Symrise carries 2% in taxonomy eligible sales or 8% in taxonomy eligible capital expenditures in the books. However, this says little about the sustainability of the Group. “We are more interested in the difference between taxonomy eligibility and alignment,” says Bernhard Kott: “If it is small, this indicates a comparatively high degree of environmental compatibility in business and investment activities.” One reason why this difference tends to be small at Symrise is that the company relies on the ISO 14001 standard for its environmental management system and uses SMETA, an audit standard from the Sedex organization, to demonstrate

compliance with human rights, environment, health, occupational safety and business ethics requirements.

In the 2022 fiscal year, approximately 2% of annual sales and 3% of operating expenses at Symrise were taxonomy eligible and aligned. Of the capital expenditures made (CapEx), 8% were taxonomy eligible and 6% were taxonomy aligned (for detailed information, see Sustainability Record 2022, p. 88 ff.). They all supported environmental target 1, “Climate change mitigation.” “Based on our deep integration of taxonomy standards in all areas, we try to make our activities as sustainably measurable and transparent as possible. This will also be reflected positively in the future,” Kott is certain. “In particular, the environmental targets of ‘Transition to a circular economy’ and ‘Protection and restoration of biodiversity and ecosystems’ are highly relevant to us.”

	Taxonomy eligible share	Taxonomy aligned share
<b>Sales</b>	2%	2%
<b>Capital expenditure (CapEx)</b>	8%	6%
<b>Operating expenses (OpEx)</b>	3%	3%

# 2022 track record and 2025 goals

Symrise follows an integrated corporate strategy that closely links sustainable operations and economic success. To achieve this, we must design our processes so that they have as little impact on the environment as possible. We also live up to our social responsibility for employees and society. This is the only way our company can continue to be successful in the future.

— Another year of crisis: That is probably the best way to describe 2022. Russia's war of aggression on Ukraine, rising inflation and high energy prices, the still unresolved Covid-19 pandemic, volatility and uncertainty characterized the global economy. Despite all these challenges, we again achieved our goals in 2022. Our more than 12,000 employees around the world generated sales of € 4,618 million, an organic growth of 11.4%. At 20%, our EBITDA margin<sup>1</sup> is also within our target corridor. And, we are one of the most profitable companies in the industry.

We also work very sustainably. We protect nature and its biodiversity worldwide by responsibly purchasing raw materials and processing them sustainably, increasingly using circular economy methods. This is how we simultaneously protect the foundations of our business. In all five of our goal dimensions, we meet the requirements for non-financial corporate reporting regulated by the CSR Directive Implementation Act (see the Sustainability & Responsibility chapter, on page 88 ff. or [www.symrise.com/sustainability](http://www.symrise.com/sustainability)).

# 11.4 %

organic sales growth generated  
by Symrise in 2022

We will achieve our long-term goals at all levels. The basis for this is 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%. In doing so, we are constantly becoming more efficient and reducing our greenhouse gas emissions to such an extent that we will be climate-positive as a company in 2030.

<sup>1</sup> Excluding impairment of the associated company Swedencare

	2022 TRACK RECORD	NOTES	2025 GOALS	NOTES
BUSINESS	11.4 % 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.
	20 % EBITDA margin <sup>6</sup>	We achieved our goals and continue to be one of the most profitable companies in the industry.	20 % – 23 %	We improve our profitability by continually increasing efficiency and optimizing the product mix.
FOOTPRINT	10.4 % improvement in the eco-efficiency of greenhouse gas emissions (Scope 1 + 2) <sup>1</sup>	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. <sup>1</sup>	We aim to be climate-positive by 2030, primarily by increasing energy and process efficiency at our production sites and by supporting high-quality and certified climate protection projects.
	6.6 % reduction in absolute greenhouse gas emissions (Scope 3)	We succeeded in significantly reducing emissions from our raw materials.	Between 2016 and 2022, we were able to reduce Scope 3 greenhouse gas emissions by around 40 %. 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.
	11.2 % improvement in the eco-efficiency of the chemical oxygen demand in wastewater <sup>1</sup>	We significantly exceeded the target value of 4 % in 2022.	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. <sup>1</sup>	We are increasing the yield of our products by changing our processes to sustainable methods.
	3.8 % improvement in the eco-efficiency of sensitive waste <sup>1</sup>	Increased production at the largest sites and adjustments to the product portfolio in line with customer requirements has led to an increase in the share of sensitive waste.	Improve the eco-efficiency of sensitive waste by 4 % annually by 2025 or by a total of 60 % compared to base year 2010. <sup>1</sup>	We will use exclusively sustainable packaging materials by 2025 and recycle – wherever possible – more than 95 % of the plastic we use.
	4.3 % reduction in water use in regions with water stress <sup>5</sup>	Initiatives have been launched in Mexico and water use has been reduced by 40 % compared to the previous year.	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	15.1 % sales from new product developments <sup>2</sup>	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
	87 % of our suppliers (90 % of the procurement volume) are assessed according to sustainability criteria <sup>3</sup>	In response to the Supply Chain Due Diligence Act (Lieferketten-sorgfaltspflichtengesetz – LkSG), we have raised the share of suppliers that are measured on the basis of sustainability criteria.	100 % of our suppliers (90 % of the procurement volume) are assessed according to sustainability criteria. <sup>3</sup>	In preparation for the LkSG, we assess our suppliers early on.
SOURCING	88 % of strategic biological raw materials are derived from sustainable sources	By intensifying our backward integration, we could improve our performance in this area.	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.
	16 % women in the first management level	Diversity initiatives have been launched in Latin America and Asia.	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.
37 % 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.	
CARE	2.8 MAQ <sup>4</sup> 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 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 MAQ = work accidents (> 1 lost day) x 1 million/working hours

5 At production sites in regions with water stress (= Egypt, India, Mexico, Spain, Chile)

6 Excluding impairment of the associated company Swedencare



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# Creating resources with the *circular economy*

Symrise has grown for the 17th year in a row, and the 2022 fiscal year was successful despite major challenges. One reason for this is the Group's long-term strategy based on the pillars of growth, portfolio and efficiency, says Dr. Heinz-Jürgen Bertram in the interview. The Chief Executive Officer explains that the company employs this strategy with many projects – for example, by skillfully acquiring companies, identifying new business units to add to those areas already established and relying more and more on the sustainable and efficient circular economy with regard to raw materials and product developments.

GOOD CORPORATE GOVERNANCE



# 20%

Symrise achieved a 20% EBITDA margin<sup>1</sup> in 2022.

# 4,618

€ million

Symrise generated sales of € 4,618 million in 2022.

# 11.4%

Symrise attained 11.4% organic sales growth in 2022.

**Dr. Bertram, 2022 was another year of crises – with the Russian war of aggression in Ukraine, rising inflation and energy prices, and the lingering consequences of the COVID-19 pandemic.**

**How did Symrise overcome all of these challenges?**

With sales of € 4,618 million, we achieved an EBITDA margin<sup>1</sup> of 20% in a difficult environment. And what's equally important to us is the fact that we grew organically and at a faster pace than the competition, with a rate of 11.4%. We're therefore approaching our medium-term goals with confidence: By 2025, we plan to achieve annual growth of 5% to 7%, with profitability between 20% and 23%. By the end of the 2025 fiscal year, we plan to generate sales of € 5.5 billion to € 6.0 billion.

<sup>1</sup> Excluding impairment of the associated company Swedencare

**You talk about growth as one of the three pillars of your strategy, the other two being portfolio and efficiency. What conditions are necessary to ensure healthy growth in the Group?**

Let's take a look at the markets first. For example, we increased our sales in emerging markets by more than 40% as planned – our goal there is 50%. We've also expanded our customer base as a whole without losing sight of our long-term goal. We plan to maintain our balanced portfolio that equally consists of global, regional and local customers, whom we serve from our 100 sites worldwide. New sales channels such as online retail, which is increasingly important, are interesting options for our customers and for us.

**Numerous acquisitions in recent years have contributed to growth at Symrise. Did you also acquire new business units in 2022?**

We're always on the lookout for opportunities in fast-growing segments. While our growth last year was primarily organic, we invested in the right places, including fine fragrances, which is experiencing double-digit growth again after the COVID-19 pandemic. We purchased two companies – Groupe Nérolé and SFA Romani – in southern France near Grasse, the world capital of perfume production (see page 72). With a combined 200 employees, the two former competitors will operate under the shared name SFA Nérolé in the future and will be able to leverage enormous synergies. They develop and produce fragrance compositions for customers around the world, from the finest perfumes to household products, and jointly achieved sales of around € 40 million in 2022. In addition, we will combine their extraordinary know-how with our revived Maison Lautier brand, for which we will be building a new factory just a few hundred meters away at the same site (see page 66).

**Another pillar is the Symrise portfolio, which you have significantly expanded in recent years, particularly in terms of scope and beyond the traditional flavor and fragrance business units.**

**Have you already achieved your goals in this area?**

■ In 2008, we achieved 10% of our sales in new divisions. Now it's more than 30%. We kicked off this transformation process, which the entire industry is now following, with the purchase of Diana in 2015 and will continue to pursue this strategy. We plan to do more than 40% of our business outside of the traditional areas by 2025. This will better prepare us for the future, as it will make us less dependent on individual business units as well as transform interdisciplinary collaboration in the Group into powerful synergies.

**What measures are you taking to expand the portfolio?**

■ For example, we acquired Dutch company Schaffelaarbos, which processes by-products from egg production into products for the pet food industry. These complement the portfolio of Nutrios, the nutrition brand of Symrise Pet Food (see page 58). This way, we've successfully expanded our areas of expertise and consolidated our leading position in the pet food industry, where we will continue to significantly expand our production and, over the medium-term, achieve sales of € 1.5 billion. For that reason, we also plan to grow in the field of animal health, where our interest in the Swedencare company will come in handy.

**Do you have such ambitious plans also in other areas of the portfolio?**

■ We plan to further accelerate our sales growth in the Cosmetic Ingredients division, where we'll primarily benefit from innovations and expand our business model to include decorative cosmetics. And in terms of Consumer Health, we'll continue to research the microbiome – a collection of microorganisms that are different in each part of the body – in order to develop suitable pre-, pro- and postbiotics.



Dr. Heinz-Jürgen Bertram is committed to the circular economy across the entire raw material and product portfolio. The CEO of Symrise wants to use raw materials as fully as possible in order to use natural resources efficiently.

**The third pillar of your strategy is efficiency. How do you plan to improve Symrise in this area?**

■ We purchase around 10,000 raw materials throughout all of the Group's divisions. We can improve efficiency significantly by optimizing procurement with an increase in cross-divisional thinking. At the same time, we plan to acquire our raw materials in accordance with the highest sustainability standards. This is an issue that goes far beyond high levels of quality, as biodiversity plays a key role throughout the entire process. We continue to promote backward integration and are working closely with partners throughout the value chain.

**Let's stick with the topic of efficiency for just a moment. Why did you add two new members to the Executive Board at the end of January?**

Based on our size and our responsibilities, it was time to expand our Executive Board. For example, in addition to my work as Chief Executive Officer, I was temporarily in charge of the Scent & Care segment, which was always supposed to be a short-term solution. As the new Executive Board, we've now found a wonderful internal solution for this area. Dr. Jörn Andreas, who has a doctorate in economics and until recently managed the Cosmetic Ingredients division at Symrise, will take over. Dr. Jörn Andreas has held a wide range of management positions at the company and overseen numerous mergers & acquisitions as well as strategic initiatives. For the increasingly important, newly created Human Resources & Legal department, we've appointed experienced manager Stephanie Coßmann to the Executive Board. She has a doctorate in law and was most recently a member of the Board of Management and Head of HR at Lanxess AG.

**Just like time and staff, raw materials are in short supply, which is what makes the circular economy all the more important. In fact, the current Corporate Report is entitled "Creating resources with the circular economy."**

**Why is there such a focus on this approach?**

We can follow the principles of the circular economy throughout our entire portfolio of raw materials and products. There are so many raw material processes in which valuable materials go unused. But we want to use 100% of raw materials wherever possible and thus use our natural resources much more efficiently, which will also allow us to avoid traditional recycling in many areas. Incidentally, these innovative concepts have always been part of our DNA. When chemists Wilhelm Haarmann and Ferdinand Tiemann first produced synthetic vanillin from the sap of conifers in 1874, they used a raw material that no one else needed. Today, we'd describe that as value-adding upcycling. When Haarmann founded his company in 1875, he laid the foundation for the company now known as Symrise.



## Based on our size and our responsibilities, it was time to expand our Executive Board.



**How do you implement the circular economy today?**

We use the principles of the circular economy in many areas – for example, with the aforementioned purchase of Schaffelaarbos in the Taste, Nutrition & Health segment. We successfully implement similar business models there with by-products from meat production. Another example: Thanks to innovative methods, we can also use by-products from orange and sugar cane processing in the Scent & Care segment, resulting in many products that are renewable and biodegradable (see page 78). But it doesn't end there. As patented components, fragrance and ingredients offer the benefit of making fragrance compositions unmistakable, thus protecting them from imitators.

**So, sustainable processes are still a key component of your strategy?**

Absolutely. Our approaches are sustainable in many areas of the Group and help us to continuously reduce our CO<sub>2</sub> emissions. That will allow us to be climate-positive in energy supply and consumption by 2030 and climate-neutral throughout the supply chain by 2045 (see page 54). This way, we can continue our recipe for success, with sustainable business processes that benefit people and animals, the climate and the environment, while guaranteeing economic success.



# *Pure* refreshment





The mint fields of the northwestern United States are heaven for insects.



»  
**Natural mint  
can generate  
extensive  
diversity in  
taste.**

«

Arnold Machinek  
Symrise Flavorist

Symrise supplies thousands of mint products as cooling substances and flavors, primarily for toothpaste and other oral care products, but also for desserts and beverages. In addition to nature-identical L-menthol and L-carvone as well as a whole host of mint derivatives such as cooling substances, all of which come from backward-integrated production and have made Symrise a global leader in oral care, the company also uses natural mint oils. Sustainably cultivated and processed by partners in the USA, these natural mint oils provide a diverse range of taste profiles. A visit to central Washington state provides insight into the mint industry.

#### BIODIVERSITY AND INNOVATION AND DEVELOPMENT



Extending for several hundred meters, the fields are home to a dense network of small plants measuring just 40 to 50 centimeters in height. Though it does not look like much at first glance, as you approach you see hundreds of bees buzzing in the green leaves and light-lilac blossoms – a paradise for insects. And it smells good too. Simply stroking the plants releases the fresh, intensive scent of chewing gum. Spearmint is cultivated on the field near Royal City in Washington state and is used to flavor popular brands of chewing gum and many other products.

Essential oils are extracted from the different varieties of mint cultivated here and on hundreds of other fields in Washington, Oregon, Idaho, Nevada and California in the northwestern US. Symrise incorporates these oils into a whole host of products, including desserts, cosmetics and, more importantly, oral care products. “Natural mint can generate extensive diversity in taste,” says Arnold Machinek, turning over one of the leaves to reveal the small liquid bubbles that contain the oil. “This raw material is truly fascinating,” the Symrise flavorist explains. “And here we can take a look at all of the varieties that are important to us, from spearmint and peppermint to wild mint.”

The experienced employee completed his chemical lab technician training in the late 1970s and has been with Symrise ever since. He is standing on the third field he will be visiting today, having embarked on a tour of the northwestern US to meet with various suppliers. He visits farmers who cultivate mint as well as the companies that process it to produce valuable mint oils for Symrise. The experience out on the field is important to him, as it allows him to better understand the product he works with on a daily basis. “When it comes to essential oils, it’s often an issue of off-flavors, which refers to the odors we want to keep out of the product,” says Arnold. They compromise the harmonious taste. Flavors like these often develop out on the field, where despite the very best care other plants can grow alongside the mint, with their own essential oils finding their way into the distillation process. Here in Royal City, Arnold is satisfied. The raw material looks very good.

He is accompanied by Markus Diekmann, who is responsible for mint and a dozen other natural substances as a global buyer for Symrise. “It’s true of any raw material: You shouldn’t be dependent on a single source,” says Markus. The two Symrise employees are visiting three of the company’s

suppliers: RCB International in Oregon, Labbeemint in Washington and Norwest Ingredients – the founders of which, brothers Terry and Jeff Cochran, are now standing on the field in Washington with Markus Diekmann. “A visit like this is an important part of my work,” says the buyer. “I need to see the companies and get to know the people – and I need to be able to understand how the technical processes work, from the field to the lab and production.” Without that, Markus wouldn’t have the insight he needs to expand the portfolio and negotiate prices.

It’s a hot day, with the sun high in the sky. Jeff Cochran explains to the two Symrise experts how mint cultivation works. The older of the two Cochran brothers also manages Jet Farms, whose field the group is now looking at. He says that it takes a great deal of experience and knowledge to ensure proper, high-quality harvests. When the time comes to plant a new field, the farmers take rhizomes between 20 and 30 centimeters long from another new field and cut them into small pieces. “The mint puts down new roots, which provide plants for four to five years,” says Jeff. To ensure cultivation over the long term, the farmers employ crop rotation – for example, with potatoes or carrots. The fields need to be free of mint for eight to ten years, which also prevents diseases. “We swap cultivation areas with our neighbors to make that happen,” says Jeff. For more than 40 years, he’s been focusing on cultivating mint but also produces potatoes, beans and hay.



Terry Cochran (center) shows Markus Diekmann (left) from Symrise the distillation process in the “mint tub.”

One harvest is possible in the first year after planting, and two harvests in the years thereafter. It’s not just about high yields. “Cutting the plant twice lowers the concentration of menthofuran,” says Jeff. The raw material then functions well in oral care applications. But if you cut the plant just once, the concentration of menthofuran increases. The mint oil extracted is better for desserts because it has a sweeter, earthier and oilier flavor.

The plants have grown to a sufficient size, and it has been dry as a bone for days, which means the harvest can begin today. First a machine is driven down the field, cutting the plants and forming the clippings into long rows. After that, the mint is left out on the field for two to three days, depending on the outside temperature. “It has to dry out first, otherwise we’d need much more heat for distillation,” explains Terry Cochran, manager of Norwest Ingredients, which he founded with his brother in 1998.

Mint is in their blood thanks to their father, who also cultivated the plant. “Mint is something special. It doesn’t need as much space as corn or wheat, but it does require a lot of knowledge, which also applies to processing,” says Terry. In the coming days, another machine will cut the plant parts on the field into small pieces and load them into “mint tubs,” which at first glance look like conventional truck trailers, but are actually designed specifically to distill the mint right next to the fields. Terry Cochran leads the group to a gravel area nearby, where there are a few tubs. “We supply the distillation system with steam, which heats the plant parts for around one and a half hours,” he says, explaining the process. The steam extracts the essential oil from the plant, while subsequent condensation separates the water and oil. “We use what’s left over to increase sustainability,” says Terry. “The farmers either spread it on the fields as a soil nutrient or in some regions, it is added to cattle feed as a fiber supplement.”





**Mint is something special. It doesn't need as much space as corn or wheat, but it does require a lot of knowledge.**



**Terry Cochran**  
Head of Norwest Ingredients

During the mint harvest, a machine cuts the plants and places them in long rows.



As a buyer for Symrise, Markus Diekmann is – among other things – responsible for mint oils

Norwest Ingredients sources around 5% of its oil from Jet Farms and purchases the rest from approximately 80 farmers in the USA, Canada and India. All of the oils are analyzed in the lab of chemist and Head of Research David Beaver, who's well acquainted with the variations. He can even smell the slightest changes in the distillates, which he also examines with analysis instruments such as the gas chromatograph. "The oils are often different. Soil, water supply and sunlight have a big impact," says the 55-year-old, who has been with Norwest Ingredients for 16 years.

He works with the company's technicians to ensure consistent quality at all times. "Our customers have very clear demands to ensure they receive their specific mint oil that stands out from the competition." He also works with universities to research mint plants. "This could potentially allow us to achieve higher yields or increase plant resistance to fungus." The company, which has Sedex and other certifications, is also always looking to improve its processes and thus increase the sustainability of its operations. One-third of the mint oils supplied by Norwest Ingredients is already FSA-verified by the renowned Sustainable Agriculture Initiative Platform (SAI Platform) on a Gold and Silver level, a certification that Symrise will soon expect of all its suppliers. The independent experts took a closer look at plant health, water and energy management, biodiversity and the working conditions on farms, among other things.

Chad Greenfield, who is in charge of production at Norwest Ingredients, also vouches for the quality. He also believes that not all mint oils are the same. The 40-year-old chemist picks up two spearmint samples and smells them. "The distillates have their very own properties, which we combine here into the mixes that our customers want." Even Symrise has specific demands for Norwest Ingredients, as these have an impact on products for its own customers. The level of quality and the taste need to be consistent at all times, so that the end products provide consumers with the same experience each and every time.

Arnold Machinek is satisfied with what he sees – and smells. While mint varieties differ significantly from each other in terms of their profile, even oils from the same variety can taste different, he says. "It's much the same with wine. The same grape can produce very different wines depending on the growing location and processing method." The concentration of menthofuran, for example, can make for a fuller flavor, while



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## The distillates have their very own properties, which we combine here into the mixes.

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**Chad Greenfield,**  
Production Manager Norwest Ingredients

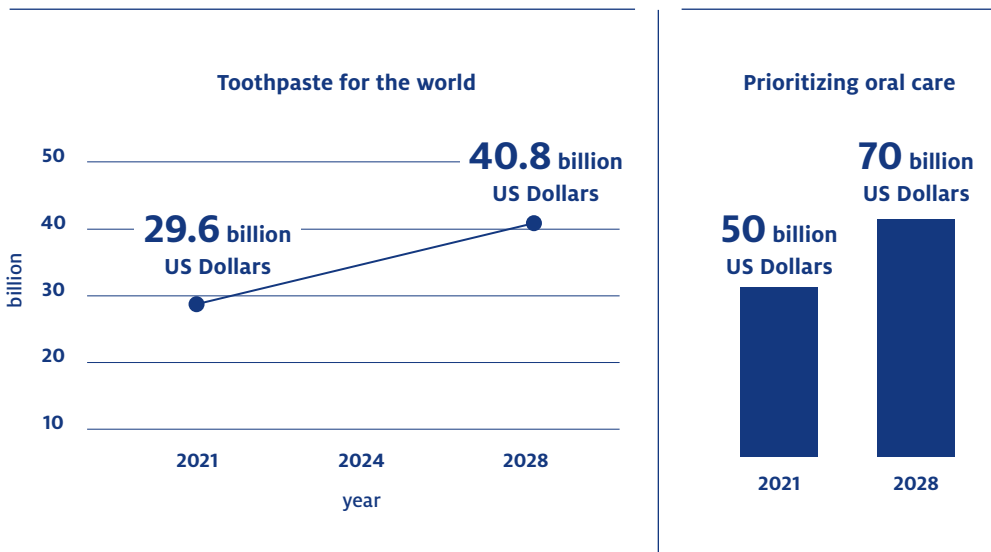
other components increase the level of freshness, explains Arnold. That's also reflected in the enormous diversity of the Symrise mint portfolio. "Symrise purchases more than a dozen different mint oils," says Markus Diekmann. The company offers around 2,000 mint recipes. "That's why we need the entire range of mint flavors, from the essential nature-identical to the natural specialties like those sourced from this field here in the USA," adds Arnold Machinek.

## MENTHOL, THE MOST IMPORTANT INDIVIDUAL PRODUCT

Symrise is a global market leader in menthols and its derivatives, and supplies them to around 500 customers, from global groups to medium-sized companies, which use them to produce oral care products such as toothpaste and mouthwash, sweets and chewing gum, shower gels and other cosmetic products. The pharmaceutical industry also uses menthol in a range of medications to cool, promote blood circulation and relieve pain.

Symrise extracts menthol using a process that the company developed itself nearly 50 years ago and that separates L-menthol from d-menthol in the last stage of enhancement, beginning with the raw material thymol. Chemically speaking, L-menthol corresponds almost entirely to the oil of mentha arvensis – wild mint – and can be used in the same way.

At different points during the procedure, which no longer produces wastewater, intermediate products such as d-menthol are returned to the process. This form of the circular economy improves the yield and reduces the amount of waste products. Menthol is one of the most important individual products in the Symrise portfolio and is manufactured in Holzminden, Germany, and Bushy Park, USA, where the crystallization process that ultimately gives the menthol its form is now solvent-free. In addition, a combined heat and power plant in Bushy Park has reduced carbon emissions by 800 to 1,000 tons a year.



# 1% – 1.5%

mint flavor is present in a toothpaste.

# The beauty of deep red

Symrise is the first company in the industry to purchase hibiscus that has received sustainability verification. The company works closely with the supplier and farmers in order to ensure a sustainable value chain for the raw material which is considered a trend ingredient for food.

SOCIETY AND GOOD CORPORATE GOVERNANCE





Infused with hot water, the hibiscus flower develops a sweet-sour taste, similar to cranberry, and the liquid becomes a deep red color. In addition to taste and appearance, the flower gives the tea other characteristics: It is also said to lower blood pressure, has a high vitamin C content and is often used in popular medicine for colds or circulatory problems. Now this mallow plant, of which there are several hundred species, is no longer used only in tea. Especially in Europe, consumers enjoy foods and beverages containing hibiscus, which has been named one of the ten most important food trends for 2022, such as in dairy products, baked goods, chocolate confectionery, sauces and, above all, innovative beverages.

The raw material has long played an important role for Symrise. Originally from Asia, hibiscus now grows around the world in tropical and subtropical regions. The company sources hibiscus from the Aswan region of Egypt, where it has worked with partner El Mahaba for more than 25 years. "Thanks to the long-standing cooperation, we have direct access to raw materials and can obtain them permanently, reliably and in high quality," says Rania Elmy, senior purchasing manager.

Now the Group has taken another important step with the supplier. Symrise is the first company in the industry to purchase hibiscus that has been verified at Gold level of SAI-FSA (Sustainable Agriculture Initiative Platform – Farm Sustainability Assessment). Behind the SAI Platform is an association of many large companies and organizations working together for better agriculture. To retain the verification, growers are evaluated by independent third parties every year.

Symrise is closely working with El Mahaba to strengthen a network of farmers. In order to achieve this, it promotes sustainable agricultural practices in the cultivation and processing of raw materials. "Our focus is on working conditions and the sustainable use of water and soil. In addition, we work in our facilities to reduce water usage," says Wassim Salib, GMP Manager at Symrise Egypt. "By conserving resources, we also contribute to climate protection." Hibiscus cultivation is therefore another building block in the company's goal of sourcing all strategic biological raw materials exclusively sustainably by 2025.



**Our focus is on working conditions and the sustainable use of water and soil. In addition, we work in our facilities to reduce water usage.**



**Wassim Salib,**  
GMP Manager at Symrise Egypt



# Innovative, effective – and sustainable



**LÉA SCHMIDT,  
GLOBAL PRODUCT MANAGER BU  
ACTIVES & BOTANICALS**

■ Certain strains of Lactobacillus bacteria promote gut health as probiotics in food supplements. These bacteria are produced via fermentation, meaning they are grown in a culture medium. In the process, nutrient-rich fermentation medium is discarded at the end. This by-product contains many micronutrients that can benefit skin. Working with the Swedish biotechnology company Probi, a Symrise partner since 2012, we have identified an opportunity to use this fermentation broth as the basis for a new cosmetic ingredient. This allows us to transform a seemingly worthless by-product into something very valuable.

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**We transform a seemingly worthless by-product into something very valuable.**

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The result of our combined efforts is SymFerment®, a cosmetic ingredient that does not only moisturize and smooth the skin but also provides it with micronutrients such as amino acids, proteins, minerals and organic acids to strengthen the skin barrier. We've proven its effectiveness in vivo. Cosmetics manufacturers can use SymFerment® in a whole host of applications, from face and personal care to dermocosmetics.

**MAREK BUSCH,  
JUNIOR PRODUCT MANAGER, BUSINESS UNIT  
SUN PROTECTION & FUNCTIONALS & COLORS**

■ Silicones are used in many cosmetics such as facial creams and sun protection to give the skin a soft feel. But since the synthetic ingredients are not biodegradable, Symrise has been working for some time on sustainable alternatives with comparable sensory effects. One alternative is SymMollient® S green, a saturated wax ester of sustainably sourced nonanoic acid and cetearyl alcohol that feels much like silicone derivatives. This ingredient melts at skin temperature and produces a silky, non-greasy feeling on the skin. It can also be used in creams that are meant to provide the skin with moisture: SymMollient® S green demonstrably increases the moisture content in vivo.

Another important application is in sun protection products. Protection of the skin from UV rays is increasingly important as we see the rise in skin cancer diagnoses worldwide. Not only their function but their pleasant feeling on the skin will encourage more consumers to use sun protection products, and this is exactly what SymMollient® S green provides. Tests have shown that the sensory profile of an emulsion in which SymMollient® S green and SymMollient® PDCC are used instead of silicones provides the same smoothness and spreadability as the original emulsion.



**MARIE BOURGEAY,  
GLOBAL PRODUCT MANAGER**

■ Hydrolite® 5 green enhances the performance of ingredients and is available in formulations ranging from classic to green and from light to rich textures. It moisturizes the skin, provides hair-care benefits, improves the sensory profile of formulas and enhances product protection. This multifunctional ingredient is made from 100% biologically-based carbon. In a patented process, it is produced from bagasse, an ethically and responsibly sourced sugar cane by-product. In addition, we recycle the by-products of the Hydrolite® 5 green process or offer them as new ingredients for the cosmetics industry. Hydrolite® 5 green produces fewer CO<sub>2</sub> emissions than its predecessor product Hydrolite® 5. It is also readily biodegradable and renewable, COSMOS and NATRUE approved, and appropriate for use in natural and organic cosmetics.

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**Hydrolite® 5 green enhances the performance of ingredients and is available in formulations ranging from classic to green and from light to rich textures.**

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Positively

into the

future



In 2010, Symrise was one of the first companies in the world to formulate a climate strategy. Since then, the company has always reached its self-imposed targets ahead of schedule. But resting on our laurels is not an option: The Group wants to be climate-positive starting in 2030.

GOOD CORPORATE GOVERNANCE, CLIMATE

When Symrise first published a climate strategy some twelve years ago, it sounded very ambitious: By 2020, the Group wanted to position itself so as to reduce its carbon emissions by 33%. Symrise achieved this target back in 2016. One year later, the company formulated new, even more ambitious objectives: Symrise became the first company in the industry to focus on science-based targets. These targets, which are consistent with the latest climate science, create a scientific basis for the minimization of global warming in order to reach the goals of the Paris Agreement. "We renewed our plans to a highly ambitious level once again in February 2022 and had them certified by the Science Based Targets initiative," explains Dr. Helmut Frieden, VP Corporate Sustainability at Symrise. Regarding Scope 1 and 2 emissions, Symrise is focused on reaching the target of less than 1.5 degrees. Scope 1 includes all emissions that are directly generated by production, and Scope 2 refers to the emissions generated through the procurement of energy. Greenhouse gases in the upstream and downstream supply chain are referred to as Scope 3 emissions. This includes the procurement of raw materials, transportation, business trips and waste disposal. Here, the company is pursuing the 2-degree target. "In terms of Scope 1 and 2, we aim to be climate-positive starting in 2030. We will thus help sequester more greenhouse gas emissions from the atmosphere than we generate through our business activities. For Scope 3, we want to cut emissions by 30%," says Dr. Frieden. Ultimately, climate protection is also important for the Symrise business model: "More than 80% of our raw materials come from natural sources. Therefore, it's important for us to look after the climate and biodiversity from an economic perspective."

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**More than 80% of our raw materials come from natural sources. Therefore, it's important for us to look after the climate and biodiversity from an economic perspective.**

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**Dr. Helmut Frieden,**  
VP Corporate Sustainability

Symrise bundles its global climate activities in the company headquarters in Germany. At the same time, many activities take place at all sites around the world. In Holzminden, a management group exists solely to determine how the company can reduce its CO<sub>2</sub> output at the two plants there. For example, 25,000 tons of CO<sub>2</sub> are expected to be saved every year by changing procedures for the disposal and reprocessing of by-products. Reforestation projects in Brazil neutralize more than 12,000 tons of CO<sub>2</sub>, thus compensating for emissions related to suppliers' packaging. These and other projects will be implemented across the Group starting in late April 2023.



At the same time, the low-carbon project is underway in the Taste, Nutrition & Health segment. “For three years now, we have been implementing our low-carbon transition roadmap based on the climate protection goals of Symrise through which we intend to reduce CO<sub>2</sub> emissions. This roadmap is based on three essential pillars: We map greenhouse gases and introduce action plans to reduce emissions at industrial facilities, calculate the carbon footprint of products and opt for an eco-design of finished goods with the involvement of our suppliers,” explains Marie Le Henaff, the segment’s Sustainability Director.

Given that Symrise is growing in the area of pet food in particular, all new plants since 2020 have been built according to the LEED or BREEAM recognized standards. “These standards are good levers to generate up to one-third fewer CO<sub>2</sub> emissions than a conventional building,” says Thierry Lenice, who oversees the transition to sustainable operations as Low Carbon Transition Manager. In the past two years, Symrise has built new plants in Colombia, China and Brazil based on LEED / BREEAM standards.

At the same time, Symrise is upgrading older production sites by introducing low-carbon action plans to help reduce emissions. At the Naturals Business Unit within the Food & Beverage division, more than 3,000 tons of greenhouse gases will be saved yearly from 2020 to 2023. This is thanks to the switch from gas to wood for its boilers, optimization of refrigeration facilities and improved heat recovery. In addition, the segment also reduced its CO<sub>2</sub> emissions in other areas. For example, it optimized the packaging it uses and introduced more sustainable transport



## We map greenhouse gases and introduce action plans to reduce emissions at industrial facilities.



**Marie Le Henaff**  
Sustainability Director Taste, Nutrition & Health



solutions. Last but not least, the employees also developed their own projects to raise awareness for sustainability. “We ultimately want to share the results across the Group so that we can learn from each other. That way we can act even more sustainably together,” says Le Henaff.

Furthermore, the Taste, Nutrition & Health segment will evaluate the carbon footprint of its entire portfolio which includes more than ten thousand products over the coming years. “In doing so, our team is currently focusing on a particular product range while simultaneously developing eco-design matrix tools and raw material databases,” explains Le Henaff.

This resulted in the “low carbon” product range for the Pet Food division, which Symrise presented at Interzoo 2022. The 14 products, which are suitable for both cats and dogs, displayed good CO<sub>2</sub> performance, according to Aurélie de Ratuld, CSR Global Manager for Symrise Pet Food. In 2023, 14 new products will be introduced to the French market; by replacing older ones, they will generate 1,300 fewer tons of CO<sub>2</sub> per year. All in all, eco-friendly design can reduce emissions by an average of 30%, and in some cases even up to 70%.

Symrise built the pet food plant in Colombia based on LEED standards.



**E**

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In 2022, Symrise purchased the Dutch company Schaffelaarbos that processes the by-products of egg production into products for the pet food industry. These dried egg products contain valuable proteins and fats that promote growth as well as certain bioactive compounds which have a positive effect on the health of animals. The company's approximately 50 employees have developed a functioning circular economy that processes sustainably used raw materials to create further value. The products complement the portfolio of Nutrios, the nutrition brand of Symrise Pet Food.

#### INNOVATION AND DEVELOPMENT

Chickens lay eggs on a daily basis at large hatcheries, with the hatched chicks sold to farmers as laying hens. However, there is a degree of unpredictability for the facilities, as 10% to 15% of the tens of thousands of eggs produced there do not contain an embryo and are therefore considered as side streams. The hatcheries that provide chickens for meat cannot use the unfertilized eggs either. This is where Schaffelaarbos comes into play. The Dutch company uses the eggs to obtain valuable ingredients for animal feed, among other things.

Symrise purchased the company based in Barneveld, Netherlands, in 2022. It was established as a chicken hatchery in 1953 and has been active in the egg protein market for around 40 years. The company is a good fit for the Group's pet food portfolio and, like many other Symrise business units, promotes the circular economy: For instance, the eggs that Schaffelaarbos uses are not approved for human consumption, but rather than being disposed of, they are processed as a by-product using a sophisticated technique.



Sales and marketing manager René Valks demonstrates how that works in the plant's sparkling clean halls around 20 kilometers east of the city of Amersfoort. Hundreds of thousands of eggs are processed here every day. "We purchase them from more than 100 suppliers at various locations, from England, Scandinavia and Italy to Hungary, Poland and the Netherlands," says René Valks standing in front of a row of silver 1,000-liter tanks containing around 18,000 broken eggs. The supplier immediately conserves and refrigerates them to keep them fresh, as microbiological processes would otherwise start and the eggs could spoil.

A press at the Schaffelaarbos factory separates the shells from liquid egg – the yolk and egg white. René Valks demonstrates the different processing methods passing through a plant with almost no one inside. Of the 50 employees, around half of whom are drivers, only a few are at the production facility on a daily basis, as the processes are almost entirely automated. The evaporator heats the liquid eggs to the point where they lose about 40% of their water content. "At the end of the process, we have different products such as a fine powder and small pellets that contain just 6% moisture," René Valks, who has been with the company since 2017, explains.



He and his colleague Nienke Bosma then take a look at the results in a different part of the hall. “With our egg-based products, we provide interesting ingredients for pet food production,” the research and development manager at Schaffelaarbos says. She reaches into a sack and pulls out a handful of light-yellow powder. “Eggs are made up of very different components that can have a big impact on animal feed – for example, for pets such as cats and dogs,” she says. For example, the yolk contains immunoglobins, which are effective against disease-causing bacteria like salmonella and E. coli, as well as cholesterol, which helps young animals during their growth phase. The egg white, on the other hand, is full of the ovotransferrin protein and the lysozyme enzyme, which also promote animal health.

The logo of the Symrise pet food nutrition brand, Nutrios, is visible on the sacks. Intensive collaboration forms the foundation for the brand, says Nienke Bosma. “We have bi-weekly video conferences with our colleagues in other research and development departments in the Group and share our knowledge.” Improving products and better exploiting by-products are just two of the goals.

Nienke Bosma and René Valks then enter the warehouse, which also houses the company’s other products. Large pallets hold round objects that are roughly the size of a soccer ball and have a hole in the middle. “Those are pecking stones, which are produced from the eggshells,” explains Nienke Bosma. The pecking stones are placed in chicken coops so that the animals can keep their beaks short in a natural way. Schaffelaarbos also produces a variety of powders from the eggshells, which in turn are used as a source of calcium in food for young animals.



Pecking stones made from eggshells help chickens keep their beaks short.



**With our egg-based products, we provide interesting ingredients for pet food production.**



**Nienke Bosma,**  
Research and Development Manager at Schaffelaarbos





René Valks and Nienke Bosma check the various end products together in production.



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**There is up to 30 %  
egg protein in  
an animal food  
mixture.**

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**René Valks,**  
Sales and Marketing Manager at Schaffelaarbos





Schaffelaarbos products are in high demand. The company, which is set to grow in 2023, supplies around 80 pet food manufacturers primarily in Europe, with a fifth of all production going to Asia mainly Thailand and Japan. Customers use Schaffelaarbos products in hundreds – if not thousands – of end products, René Valks informs. “We supply egg proteins, which account for one to five and sometimes even 30 % of a food mix.” The market is continuously expanding, and Schaffelaarbos benefits from several trends. With the global population growing, more and more people have pets and want them to have the best nutrition. The number of vegetarians is also on the rise worldwide, many of whom want to feed their cats and dogs without meat and fish products. “Our products with egg offer a good protein alternative that’s also 100 % natural and can feature a clean label,” René Valks says.

Animal welfare also plays an increasingly important role when it comes to raw materials. Take for instance hatcheries for laying hens, which cannot sell male chicks for obvious reasons. While these day-old chicks were often simply killed in the past, this can now be prevented with modern diagnostic methods. “A variety of technologies are used to determine the sex of the embryo between 9 and 13 days,” explains Nienke Bosma. “The ‘male’ eggs are removed, and we can process them into high quality protein ingredients for pets, too.” With research gaining ground, soon it will be possible to determine the sex of embryos even earlier – after three days.



Nutrios is the Symrise brand for the pet food portfolio.

Schaffelaarbos therefore helps to improve animal welfare, increasing its basis of raw materials in the process. The company is also working in a consortium with universities, other processing companies, suppliers and customers to update the classification of raw materials. For example, current regulations prohibit the use of the remaining shells when chicks are hatched at hatcheries. “We would like to develop a safe value chain for by-products with nutritional-physiological potential, with the guarantee that these do not pose any risks to animal health,” says Nienke Bosma. “Then we’ll be better able to evaluate them, eliminate high disposal costs for the hatcheries and establish a complete circular economy in our supply chain model.”

In another project, Schaffelaarbos is attempting to extract the lysozyme enzyme from a special egg white by-product that can have a positive impact on animal health. “As a natural antibiotic, the enzyme can kill certain bacteria,” explains Nienke Bosma, who works with the Dutch company Bioseutica on the state-funded research. She makes it clear that other Symrise brands can also benefit from this project. “We learn and benefit from each other in many areas.”





# Partnerships as a guarantee for success



**LYNNE MILLAR,**  
**DIRECTOR OF PURCHASING AT PERNOD RICARD**

■ For one of our iconic products, we need the full flavor of coconut, which we acquire through our reliable partner Symrise from the Philippines, where coconut cultivation is an important source of income for 20% of the population. However, prices have fallen for the fruit of the coconut palm in recent years, which has resulted in continuously decreasing income for the farmers and their families – a situation further exacerbated by a lack of modern cultivation and harvest technology and indirect access to the market.

For this reason, we launched a develoPPP-project with Symrise and GIZ in 2020 that is dedicated to protecting nature and biodiversity and to improving living conditions in the small farming communities. This project will run for an initial period of four years. In addition to working with local qualified partners to provide training courses on safe work practices, farm management and crop diversification, we also pursue innovative paths to promote sustainable farming over the long term that benefits people. Initial success is already visible. In fact, farmers are cultivating coconuts as well as fast-growing vegetables like eggplants, broad beans and chili peppers on three demonstration farms in an effort to eliminate dependence on a single fruit. In addition to helping 500 coconut farmers increase their income by an average of 15% and their annual yield by 20% by 2024, we also plan to improve access to water and sanitary facilities, thereby boosting overall living conditions and strengthening communities.

**MARK BIRCH,  
DIRECTOR OF SUSTAINABILITY AT SYMRISE**

■ Symrise manufactures tens of thousands of products out of the natural raw materials it purchases around the world, which comes with great responsibility for nature and the people who work in the supply chain in the various countries. As a result, we've been collaborating with many strong partners for years to improve living and working conditions for farmers and their communities in accordance with the United Nations' 17th Sustainable Development Goal. This goal describes sustainable operations with strong partners that benefit farmers in developing regions in particular.

For this reason, we work closely in many areas with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, an experienced partner in international development cooperation. Together we implement various projects within the framework of the Public Private Partnership-Programme (develoPPP programme), a funding scheme with which the German Federal Ministry for Economic Cooperation and Development (BMZ) supports sustainable company initiatives in developing and emerging countries. One area of focus is the "Bridging the Gap" activities – sustainable development partnerships between suppliers, farmers, Symrise and our customers. In doing so, we create sustainable, resilient agricultural and nutrition systems, support the farmers in our supply chains – including small and very small-scale farmers – and enable them to generate income for their families. We are committed to all farmers who participate in our programs, no matter how small their operations are – and we can only do this by working together with our partners.



**SOPHIE GRUNZE,  
PROJECT MANAGER FOR THE DEVELOPPP PRO-  
GRAMME AT THE DEUTSCHE GESELLSCHAFT FÜR  
INTERNATIONALE ZUSAMMENARBEIT (GIZ) GMBH**

■ We have worked in a spirit of mutual trust with Symrise since 2010. Our partnership began in Madagascar. Funded through the develoPPP programme that GIZ implements on behalf of the German Federal Ministry for Economic Cooperation and Development, we helped 500 farmers improve their living conditions and increase their incomes.

Since then, we have continued to work together to launch new projects in Madagascar, which have by now benefited over 7,000 farmers. We train them in sustainable agricultural cultivation methods as well as business and financial management and how to diversify their income. For this purpose, we have worked with Symrise and Unilever to support village communities in Madagascar since 2013. In addition, we entered into partnerships with national and international NGOs, as for example Save The Children, to complete our holistic approach.

Besides addressing sustainable agricultural practices, the partners established a local health insurance and work on children rights and vocational training for youth. In this way, we are helping to increase the resilience for the future of the communities.

Incidentally, Madagascar is representative of a whole series of other projects in collaboration with Symrise which support farmers and their families in Brazil, India and the Philippines. And this is just the beginning.

*Embracing*  
traditions,

*shaping*  
the future



In the city of Grasse in southern France, Symrise is breathing new life into the Maison Lautier brand, which is more than 150 years old. To support this effort, the company is building its own factory and working closely with farmers both in the region and around the world. The idea is to develop an extensive portfolio of natural substances in the coming years that complements the fragrance ingredients manufactured in Holzminden and Madagascar.

INNOVATION AND DEVELOPMENT

■ The season is long since over. But as it was warm for such a long time, there is still a single flower on Floriane and Albin Coulomb's rose field. The scent of the centifolia – the rose variety planted here – gives you some idea of the effect when the entire 2.3-hectare field is in full bloom. The rose has a strong, slightly sweet fragrance and is more at home in the region surrounding Grasse than just about any other plant. The married couple began cultivating roses in 2021 – here in the global center of fragrance production where perfumes have been produced since the 16th century.

Albin Coulomb, now 36 years of age, completed farmer training when he was younger and then, just like his wife, worked in other areas. Now, the parents of three are interested in pursuing a career in the sector in which Albin Coulomb's grandfather and great-grandfather once supplied Grasse's fragrance industry with raw materials. "We can offer a wonderful, traditional product which makes cultivation all the more exciting," says the farmer, who also grows jasmine in a large garden next to his house. These two plants have been basic materials in perfumery for centuries, as their oils fetch high prices and are used in countless perfumes. Floriane and Albin Coulomb have invested a great deal of time into their new career in an effort to produce the best products, and will be planting a total of 12,000 new rosebushes over the next two years. They plow everything that grows in the vicinity to fertilize the soil, and then harvest around half a kilogram of flowers per bush. No pesticides are used because the entire field is certified organic.

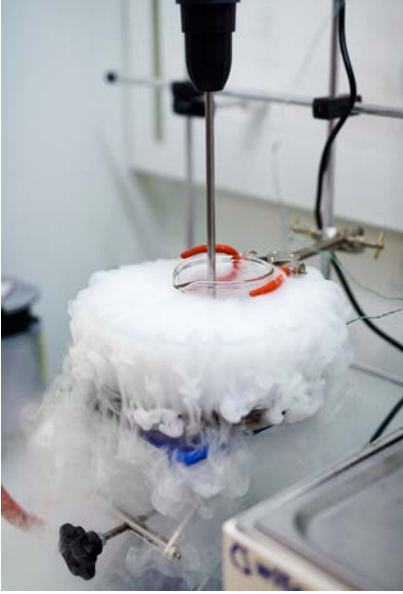
Camille Quintin is eager to hear about the progress made on the couple's field. As a manager, he is responsible for the entire supply chain that Symrise is currently developing under the renowned Maison Lautier brand, which the company has had in its portfolio for more than 20 years and never used. That is about to change, now that Symrise is breathing new life into the two-century tradition of fragrance production. The roses grown in the field that Camille Quintin is visiting today will play a role in this change. "We want to develop long-term partnerships with local farmers and thus also promote the diversity in flowers and plants in our region," says the manager.

The raw materials sourced from the region are one of the foundations for the new plant that the Group will be building for Maison Lautier in the years to come at a location just 30 minutes from the Coulombs' field of roses. There, near the commune of Saint-Cézaire-sur-Siagne, Symrise will manufacture extraordinary products – fragrance ingredients made exclusively from natural materials – which will form the "Artisan" product line by Maison Lautier (see box on page 71). In the future, the company will market around 50 fragrance ingredients under this brand.



In the Maison Lautier laboratory, Dominique Maubant (in the background) works with an intern to develop fragrances from natural raw materials.





Dominique Maubant (image on the right) specializes in natural substances using various processes.



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**I've never worked with technologies like 'Cold Treatment' and 'Symtrap<sup>®</sup>', developed by Symrise. I find it all very interesting.**

«

**Dominique Maubant,**  
Chemist



»

**We want to develop long-term partnerships with local farmers and thus also promote the diversity in flowers and plants in our region.**

«

**Camille Quintin,**  
Manager

Still, there is much to be done before the portfolio is complete. Dominique Maubant has been analyzing new fragrance ingredients for months. The experienced chemist has worked in Grasse for more than 25 years and specializes in natural substances. He has spent time in a variety of departments, including distillation, quality control and research, and developed absolutes and concretes. He says his switch to Symrise was inspired by curiosity. "I've never worked with technologies like Cold Treatment and Symtrap®, developed by Symrise. I find it all very interesting." While distilling different patchouli oils, Dominique Maubant explains that natural substances are complex. "We need to get the fragrance profile just right. Even minor deviations can prevent it from working properly in the composition later on."



He then climbs the steps to the offices where he sees Camille Quintin who has just come back from the rose field. The manager is very well acquainted with the raw materials, having worked for Symrise in Madagascar and at other locations for several years. The two experts inspect materials together on a regular basis. Today it is resins, including myrrh and opopanax from Somalia. "For us, it's important to find the right suppliers that are reliable and offer high quality," explains Quintin. The process is complex. For example, promising raw materials are sent to Holzminden after testing in Dominique Maubant's lab. SFA Romani employees are also involved in quality control.





Camille Quintin (foreground) and Dominique Maubant discuss different raw materials and manufacturing processes.

Good collaboration in the Group should help Maison Lautier to develop an extensive portfolio in the coming years, with initial customers based in the perfume industry. “But we plan to expand our range to the whole Scent & Care segment,” Camille Quintin informs. This diversity is also reflected in the raw materials such as resins from Somalia and raw materials from Madagascar. At the same time, Maison Lautier is picking up on a trend that has captured the entire industry. “Customers set great store by regionally-produced fragrance ingredients, which also applies to France where there are traditionally many perfume manufacturers,” Camille Quintin says. Grasse is the ideal location for the company: “Dominated by a unique climate for typical perfume plants and flowers, the entire region has a long tradition and expertise in perfumery which lends itself to product customization.”

### **MAISON LAUTIER: THE BEST FRAGRANCES FROM ALL OVER THE WORLD**

When glove maker François Rancé began selling fragrances made from flowers and other plants in Grasse in southern France in 1795, he could never have anticipated how successful the company he founded would become. Business flourished for hundreds of years and, in the 19th century, culminated in the Maison Lautier brand, one of the most popular brands in the fragrance industry. Symrise has now revived and revamped the brand, with a location near Grasse and with a high-quality basis of raw materials from all over the world, developed in close contact with growers.

The new brand now has three product lines. Based in Grasse, the Artisan line uses plants and flowers that are cultivated primarily in the region, but also around the world, as raw materials. For its Madagascar line, Symrise uses its close connections to the African island, which are rooted in its 15-year procurement of the raw material vanilla. The value chain is backward-integrated, from the plant to the essential oil. Symrise therefore assumes responsibility for upstream production steps, working closely with local small-scale farmers who benefit on many levels, from education and health care to the development of sustainable, successful agriculture.

The Supernature line combines the best raw materials that nature has to offer with process innovations, using groundbreaking procurement and processing techniques as well as upcycling to acquire materials from by-products in food production, for example. Symrise introduced its first collection with raw materials from all three lines in summer 2022 at the World Perfumery Congress in Miami, Florida. This included vanilla, geranium and mandarin orange from Madagascar, strawberry, apple and cranberry from the Supernature series, and iris, sandalwood, jasmine and boya for the Artisan line.

# All for one, one for all

Symrise purchased the two companies Groupe Néroli and SFA Romani in southern France. The 300 employees now work in many complementary areas, from purchasing and development to contact with customers. This is a story of how former competitors have joined forces to create enormous synergies.

GOOD CORPORATE GOVERNANCE, INNOVATION AND DEVELOPMENT

Estelle Barbot works in a beautiful location in the French Provence, just ten kilometers from Grasse, the French capital of perfume. From her window, she can see forested hills and, in the distance, snow-capped mountains. The perfumer works where others usually vacation, and, as if that were not enough, her job takes her to far-off places every day. She develops fragrances that are later used in Algeria and Saudi Arabia, in Ghana and Dubai, in South Africa and Bahrain – and for that, she needs to be very well informed of customer tastes in the Middle East and Africa. “People in African countries have a clear preference for strong, less sweet fragrances with fougère notes such as lavender, bergamot and geranium, floral notes like orange blossom and notes of musk,” says Estelle Barbot, who is printing out a few fragrance recipes at her desk. “In contrast, the Middle East favors notes such as agarwood and oud, which is extracted from the resin of agarwood. They’re supposed to bring out your personality.”

The chemist, who studied at the renowned ISIPCA perfumery school in Paris before going on to earn her degree, works at Groupe Nérolé, which was established when the perfume manufacturers Créations & Parfums and Floressence merged. The company is located in a small industrial area surrounded by nature in the Provence region, which over the decades has become a hub of fragrance production, with multiple competitors operating side by side. One of them is fragrance manufacturer SFA Romani that Symrise acquired along with Groupe Nérolé in 2022. Once competitors, the approximately 200 employees now work closely together under the name SFA Nérolé – and can thus create enormous synergies. Together they develop fragrance compositions for the finest perfumes. The two companies bring more than 70,000 recipes to the merger that are mixed from more than 1,200 raw materials.

Over time, employees will have the opportunity to learn how the other side works. Estelle Barbot is looking forward to working with her SFA Romani colleagues. “They’re just a few minutes away, and now we can work closely together, share our knowledge and compare our approaches to customer projects,” she says.



»

**Now we can work closely together and share our knowledge.**

«

**Estelle Barbot,**  
Chemist at Groupe Nérolé

The walk from Groupe Nérolé to SFA Romani is indeed short. You simply have to cross two streets to get to the office of Yann Mabille, the former Managing Director of SFA Romani who now manages the new company's sales for the regions of Africa, North and South America as well as parts of Europe. He has had many meetings with his old and new colleagues and knows how and where the former competitors complement each other especially well.

One example is their markets. Though both companies served the whole world, they each had their areas of focus. While Groupe Nérolé was very active in the Middle East and Africa, SFA Romani had many customers in Central America and especially strong roots in Italy, home to the company founders who ultimately made the brand the strongest in the country. There are also big differences in the number of customers. "At SFA Romani, we worked with 400 to 500 companies, while our Groupe Nérolé colleagues had a more selective list of customers," Yann says.

The two companies will work closely together in the future when it comes to raw materials. "We've had perfumers from both companies analyze the portfolio," Gabriel Ramos informs. Like Yann Mabille, he is responsible for sales, but in Asia and the Middle East, which are the areas his colleague does not cover. They and other staff form the team that should bring the former competitors closer together. "When it comes to purchasing, we'll rely on the same raw material suppliers wherever possible. At the same time, we'll allow the employees to use the specialties they need for their compositions," Gabriel Ramos says.

SFA Romani primarily served niche markets that prioritize quality and creativity, with fine fragrances accounting for 80% of its sales. "We were never willing to compromise," says Yann Mabille, describing their approach. To reach customers, the company developed a sales network in 80 countries around the world. So even though it was a comparably small company, it began appearing at international trade shows early on. Groupe Nérolé, on the other hand, specialized in larger volumes. What set the company apart were its very short reaction times to customer requests. "We can also learn a lot in terms of the work done in the labs," Yann Mabille says.



**Being a part of  
Symrise comes  
with prestige.  
Customers  
are very happy  
about that.**



**Yann Mabille,**  
Sales Manager at SFA Romani

In the future, those involved plan to take advantage of these differences in their collaboration. “Now we can supply customers of all sizes, from small customers to the world’s largest groups, with quantities ranging from few kilograms of a perfume to several tons,” Gabriel Ramos explains. It goes without saying that it is primarily the larger projects that are responsible for profitable growth, but even smaller, innovative ideas can achieve great things, as both managers are quick to point out.

Like the new partners, Symrise will also benefit from the acquisition. The connection to the cradle of perfumery in Grasse with the corresponding expertise, the many raw materials and access to fragrance compositions and customers worldwide all fit in well with the Group’s strategy, which is a diverse portfolio of local, regional and global customers around the world. “At the same time, Symrise is also reinforcing the trust that we’ve developed here in France,” Yann Mabile says. As members of the large Group, the two former competitors now have new opportunities, he comments. “For example, we benefit from the size of Symrise which provides us with better access to suppliers.”

In addition to the raw materials produced by Symrise, SFA Néroli employees can also directly access captives which are the patented components that make perfume compositions unique. “This also means we have an increased level of diversity and it secures our supply, because our close connection to Symrise means we will always have access to raw materials,” Yann Mabile says. The efficiency of the new parent company will also have a positive impact. “Being a part of Symrise comes with prestige,” he explains. “Customers are very happy about that. At the same time, we all work together to increase diversity and plurality in the Group. That can only nurture our creativity.”



## Now we can supply customers of all sizes, from small customers to the world’s largest groups.



**Gabriel Ramos,**  
Sales Manager at SFA Romani





# Sustainably into the future



**DORIS GATTERMANN,  
DIRECTOR CORPORATE SUSTAINABILITY**

— Symrise uses around 10,000 different raw materials from around the world which are supplied from thousands of small and large companies. Therefore, the procurement of these goods and the selection of our suppliers are enormously important in order to achieve our sustainability objectives. We are talking about protecting the climate and the environment and safeguarding human rights – we have to take all the Group's stakeholders into account.

We have been committed to this for decades because transparency is important to us. With the implementation of the Supply Chain Due Diligence Law (LkSG) which became binding for Symrise in Germany in 2023, far-reaching obligations have now been set for us. We gladly intend to observe them in order to increase transparency along the supply chain and bolster our efforts to protect people and the environment while taking into account the interests of the company. Furthermore, we can also fulfill the sustainability requirements of our customers concerning our products, for example, with regard to CO<sub>2</sub> emissions, their origin, cultivation or production practices and water use.

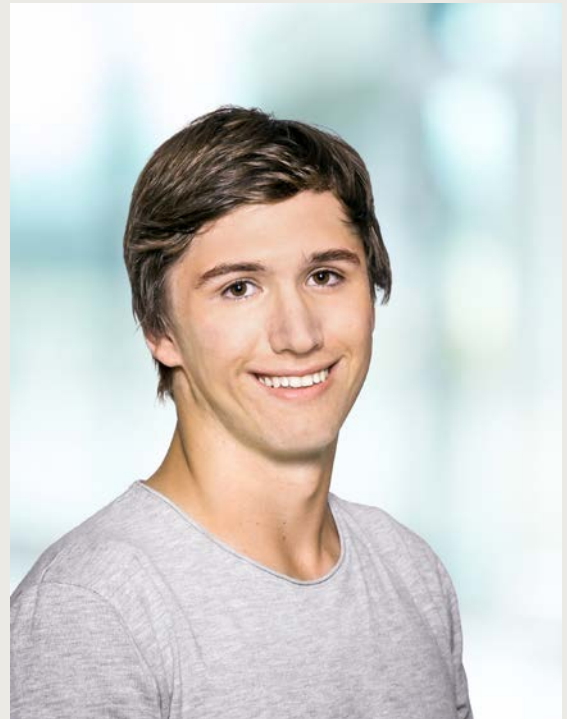
In order to achieve that, we are now auditing all of our suppliers with regard to social and environmental risks, which represents a great effort. That is in part because the various business units of the company have been using very different IT systems due to our acquisitions undertaken in recent years. As the Corporate Sustainability team which is active across the Group, we have found a smart and modern solution together with our IT department, the Responsible Sourcing Steering Committee and our service provider Atos. By doing so, we are creating exactly this transparency which we intend to expand further in the coming months and which will help us considerably in implementing the requirements of LkSG.

**SASCHA LIESE,  
DIRECTOR CORPORATE SUSTAINABILITY**

█ The loss of biodiversity, ecosystem services and natural capital is continuing around the world because the growing global population and changing consumption patterns promote climate change, environmental pollution, the loss of ecosystems and the depletion of natural resources. Therefore, a new strategic plan was defined at the 15th UN Conference of the Parties to the Convention on Biodiversity in late 2022: the Kunming-Montreal Global Biodiversity Framework. It is intended to help reduce the risks facing society and the economy arising from the loss of biodiversity and natural capital.

Now, the member states are due to implement four strategic targets to preserve biodiversity and nature as well as 23 individual objectives by 2030. The economy – and therefore also we at Symrise – plays an important role in this regard: for example, when it comes to promoting sustainable cultivation practices in agriculture and forestry as well as fisheries and aquaculture, sustainably using plant materials from wild harvesting or fairly sharing the benefits from the use of biological resources with the countries of origin.

As a company, we are also responsible for measuring and assessing the impact of our business activity, reporting transparently on the associated risks and providing the relevant environmental information so that consumers can make more sustainable purchasing decisions. As part of these efforts, we engage in multi-stakeholder dialogue on the topics of nature and biodiversity, for example, as a member of the World Business Council for Sustainable Development, where we are working together with other companies to operationalize and promptly implement these requirements.



**JASPER HÖLZCHEN,  
CORPORATE SUSTAINABILITY MANAGER**

█ With the European Green Deal from late 2019, the EU committed to reducing net greenhouse gas emissions to zero by 2050 and therefore become climate-neutral. The EU taxonomy is intended to contribute to this objective by helping to direct investments to economic activities classified as sustainable. Reporting in accordance with the EU taxonomy became binding for certain companies starting in the 2022 fiscal year and must be part of integrated reports from the 2024 fiscal year onwards.

We at Symrise laid the foundation for this back in 2010, when we also started reporting our sustainability objectives and key figures. However, reporting in accordance with the specifications of the EU taxonomy is no small feat for us given that the requirements are strict. Therefore, we are constantly working on improving ourselves. To achieve that, we integrate the topic of sustainability to a deeper extent at all levels of our IT landscape and give it more importance in decision-making processes, and we intend to provide even more transparent information about our environmental footprint.

With the EU taxonomy and our Group-wide expectations for ourselves in mind, we take care to ensure climate protection in all of our decisions and are glad to have our efforts evaluated.

# One of a kind



Every year, Symrise works on hundreds of fragrance combinations for perfumes, shampoos, household cleaners and detergents. A significant number of these are patented fragrance components, which are referred to as captives. These new compounds, which can come from the by-products of other industries, have always needed to be unmistakable in their scent, renewable and sustainable – and ideally should also be biodegradable. But more importantly, they need to be strong enough to leave their mark on a composition even in the smallest dosage. In this way, they protect the entire fragrance composition and ensure the business success of Symrise over the long term.

INNOVATION AND DEVELOPMENT







Lab head Dr. Philip Kraft also focuses on the circular economy in the development of captives.



# 0.001%

Spicatanate® already has a great effect in perfume oil.

»

**In Jacksonville, for example, we use by-products from the paper industry, in which we find components that are attractive to perfumers.**

«

**Dr. Philip Kraft,**  
Lab head

Anyone involved in the perfume industry will have heard of the “Pacollection” by Spanish fashion designer Paco Rabanne and, in particular, the unisex fragrance “Crazy Me,” which smells like mimosa and wasabi, the Japanese horseradish. The fragrance was developed by Symrise Senior Perfumer Aliénor Massenet, who intentionally built the wasabi note around the Spicatanate® compound. As odd as it may sound, the scent in its pure form is reminiscent not only of spearmint (*Mentha spicata* L., which is where the name comes from), but also of garlic and onion. But that is precisely what makes it so strong. Combined with other substances, it provides compositions with depth, freshness and fruitiness – and, in this case, the spiciness of wasabi. Spicatanate® also has an extraordinary origin story. The compound was developed using by-products of the orange juice industry – more specifically, the peel of the fruit. Despite a concentration of just 0.001% in the perfume oil, it still manages to make quite a statement.

Compounds like Spicatanate® are referred to as captives in the technical world and are extremely important to Symrise. “Most of the fragrance ingredients we sell to our customers in our formulations are commodity products. The components are no secret. Anyone could use them and purchase the compounds on the market or even produce them themselves,”

Sarah Maria Kollenberg explains. Captives, on the other hand, are fragrance ingredients developed and patented by Symrise, which means Symrise is the only company that can use them for a period of 20 years. “Perfumes that we develop entirely in-house are protected if they contain a note based on a captive that is specific to Symrise and cannot simply be recreated with other combinations,” Sarah Maria Kollenberg, Director New Ingredients Management, says. She oversees and optimizes the processes and promotes valuation of the compounds in the Group.

Some of the captives are exceptionally efficient and used in the per mill range to enhance scents, while others may serve as a filler to add volume and account for 10 % to 20 % of the mix. Unlike essential oils sourced from nature, captives are pure substances that are, wherever possible, derived from the by-products of other industries using complex processes based on the principles of green chemistry. Spicatanate®, for example, comes from D-limonene, a waste product of orange juice production. Paradise®, which smells like pear, was developed from the by-products of corn fermentation. And raw sulfate turpentine oil, which occurs as a natural component of pine during the paper production process, is the base material for a new Symrise compound nearly at the end of its development stage. With its resinous, herbal and green scent, it adds another facet to the Symrise portfolio of sustainable captives.

# 50%

Symrise uses captives in 50% of all fragrance compositions.

Captives are developed on a variety of foundations that are traditional at Symrise. “Just as it was at the beginning of our company history, it’s often an issue of identifying alternatives to expensive or rare ingredients,” Dr. Nikolaus Bugdahn says, referring to the development of vanillin, which has acquainted many people with the flavor of vanilla for the first time. Research is also inspired by the technologies used by Symrise, Dr. Bugdahn adds. He oversees the synthesis labs in which captives are produced. “In Jacksonville, for example, we use by-products from the paper industry, in which we find components that are attractive to perfumers,” adds head of the lab Dr. Philip Kraft, referencing aspects of the circular economy. In this way, seemingly worthless waste can be transformed into valuable products. Captives can also spark trends in the perfumery sector by replacing nonbiodegradable or nonrenewable fragrance ingredients, offering another form of motivation.

That requires a great deal of work. Development takes at least three years when things move quickly, but can even take up to six or seven. It always begins at the synthesis lab, where chemists synthesize several hundred compounds and evaluate them with the perfumers. “With our structured process, we can develop three or four new compounds a year,” says head of the lab Dr. Franziska Elterlein. While that does not sound like much at first, captives are used in hundreds or even thousands of formulas, from shampoo and detergent to fine fragrances.

“We plan our research, read patent information and consider together which chemical structures make sense,” explains Philip Kraft, who has more than 25 years of experience in research and development. “And we also have to keep an eye on costs at all times. Synthesis is a complex process and generally takes a while to get up and running.” What is more, the design process can be full of surprises. “There’s no way to know exactly what a substance will smell like before synthesis, which is why coming up with new ideas is a process of trial and error,” Franziska Elterlein adds. The development process is often dependent on the form of collaboration in the Group. “For example, we have our colleagues in analytics examine the compounds,” Philip Kraft says. Certain secondary components are responsible for the primary scent because their thresholds are lower than those of the primary components. The substances therefore need to be exhaustively and precisely analyzed to ensure the right compound is patented.



Dr. Nikolaus Bugdahn leads the synthesis laboratories at Symrise, where the captives are created.



Lab head Dr. Franziska Elterlein and her colleagues develop about three to four new captives per year.



»  
**Synthesis is a complex process and generally takes a while to get up and running.**

«

Dr. Franziska Elterlein,  
Lab head



**Our strategic goal  
is to protect our  
products with the  
captives.**



**Sarah Maria Kollenberg,  
Director New Ingredients Management**

Once identified, the compound is subjected to a smell test first as a pure substance in a dilution of 10% and then in applications such as fragrance blends and creams. “Of course, we stop developing the compounds that are too weak or even unpleasant in the composition,” Nikolas Bugdahn says. Following olfactory valuation, a price estimation is provided to determine which cost-benefit ratio would make it effective to use the fragrance ingredient in a composition. The fragrance ingredients are also assessed to determine the level of renewability and biodegradability. The perfumers in the Group assume a key role just before the process is completed, when there are only around 20 compounds left out of the hundreds initially developed. In addition to the experts in Holzminden, some of whom are already involved, the captives are then sent to 15 perfumers around the world, from Singapore and São Paulo to New York and Paris. “This also includes applications in fragrance blends and different dosages,” Sarah Maria Kollenberg explains.

Toxicologists then carefully examine the substances favored by the global team of perfumers to identify any potential negative effects on people or nature that were not considered during development of the compounds. A whole host of tests are conducted to collect data about the substance and its effects in order to complete registration in different countries and regions on the basis of high standards. And at the very end, the team and production staff get together to consider how to produce the captive on a large scale. “Not even that is easy because many substances have different olfactory results in mass production, for example,” Philip Kraft says.



The team evaluates the molecules in an olfactory analysis.

Once they have passed all of the tests, the compounds are introduced to the various business units in order to determine whether they should be launched as captives or specialties. The patent process takes place at the same time. Also interesting is the fact that not every substance developed is incorporated into the portfolio as a captive. “For some of them, we or the business units might not see a current need,” says Nikolas Bugdahn. Many success stories are only written later. For example, the Lilybelle® compound – which, like Spicatanate®, is derived from D-limonene – was stored in the archive for several decades. “Employees developed it nearly 40 years ago, but didn’t follow up on it because it’s based on a five-stage synthesis process,” Philip Kraft explains. “Back then, that wasn’t feasible.” But today it is, and Symrise successfully sells the compound with the floral lily of the valley note as a specialty used in both simple household cleaners and high-end perfumes.

Though complex, the processes are well worthwhile, as demonstrated by the fact that Symrise continues to increase the number of captives and their applications. Used as a “Symrise Signature” in 7% of all formulations in early 2018, they can now be found in more than 50%. “Our strategic goal is to protect our products with the captives,” Sarah Maria Kollenberg says. “Our synthesis labs and the New Ingredients Management team are working tirelessly to achieve it.”

Sarah Maria Kollenberg supervises the process as Director New Ingredients Management.

15

The captives are sent to 15 experts around the world.

# *Sustain- ability* at the core of our actions

Protecting the climate and the environment, social commitment and solid corporate governance apply throughout the entire value chain at Symrise. “The company continues to fine-tune the structured process that has been in place since the IPO in 2006,” Chief Sustainability Officer Bernhard Kott explains in an interview. Symrise intends to achieve its goals with clearly defined priorities, in cooperation with strong partners and with the great commitment of its employees.

SOCIETY, CLIMATE, BIODIVERSITY



Chief Sustainability Officer Bernhard Kott sees sustainability as an integral part of the corporate strategy.

**Mr. Kott, the United Nations have established 17 Sustainable Development Goals (SDGs), with which Symrise is aligned. Can you approach all these goals simultaneously or do you have to set priorities?**

First of all, economic success, sustainability and social acceptance are inextricably linked for us. Sustainability is an integral component of the corporate strategy, which we observe and bolster in all our processes. Therefore, we work to fulfill all the SDGs along our value chain in a transparent way for our shareholders. But we of course have to pool our resources in some areas and focus on certain processes and projects. Anything else would be inefficient.

**How do you decide where to use which resources and what do you see as particularly important?**

We launched a structured process in order to also be able to properly establish our priorities. In doing so, we placed the SDGs at the forefront and have formulated our ambitions in a systematic way, which is also relevant to our business. That is because we can only achieve what we set out to do if we combine economic success with sustainability efforts. Our first step is to minimize our carbon footprint along the value chain. Then, we want to maximize the sustainability of our portfolio with regard to the procurement of raw materials in order to positively influence society and the environment. Last but not least, we want to improve the living conditions of our stakeholders under the concept of “care.” As part of that, we also defined an entire host of more concrete goals.

**How do you include the stakeholders in these processes?**

We used a materiality analysis to determine which sustainability topics are the most important to us. This entailed looking deeply into the four topics mentioned above. To achieve this, we surveyed 1,300 employees and experts, including customers, investors and suppliers. The key question was: “What are the main effects of our business activities on the environment, nature and society?”

**What was the result?**

We identified four top priorities through the analysis: climate protection and climate change adaptation, procurement and human rights, use of raw materials and the circular economy as well as environmental protection and biodiversity.

**How do you fulfill them individually?**

When it comes to the topic of “climate protection and climate change adaptation,” for instance, we pursue the goal of reducing our Scope 1 and 2 greenhouse gas emissions so that we can become climate positive in this area starting in 2030. This includes energy sources such as oil and gas that are supplied to the company by energy service providers and the electricity generated by ourselves or purchased from electricity suppliers. And, incidentally, we have been sourcing electricity from renewable sources only since 2020. In terms of Scope 3, which comprises emissions arising from the procurement of raw materials or from transport, we intend to achieve an increase in efficiency compared to 2020 of 30 % by 2025. For this purpose, we developed a Low Carbon Transition Plan, which we address through many projects. Our targets are recognized as most ambitious by the Science Based Targets initiative (see also page 54). We thus intend to be climate-neutral along the entire supply chain, including the raw materials produced by suppliers, by 2045.

### **When it comes to Scope 3, success also depends on the actions of suppliers. How can you influence them?**

■ We are in constant communication with our main suppliers regarding how they can approach our ambitious science-based targets. By now, 87% of them have set their own climate protection targets. We also keep an eye on ESG criteria concerning our smaller suppliers – meaning the environmental, social and governance aspects.

### **This brings us to the topic of procurement and human rights. Where do we stand in this regard?**

■ The German Supply Chain Act has been in place since the beginning of 2023, and we have to meet its requirements as of this year. We will need to report on our risks and remedial measures at the beginning of 2024. But we are already assuming responsibility for our suppliers concerning, for example, the observance of internationally recognized human rights and certain environmental standards. That's no small feat considering we work with more than 15,000 direct and indirect suppliers worldwide. We expect the supply chain act to be enacted at the EU level in late 2023, which is likely to contain more stringent requirements and will need to be translated into national law within a period of two years. We began with the introduction of a systematic process in 2021 that will allow us to identify human rights and environmental risks on our suppliers' side. Also, the Executive Board published the human rights policy statement at the beginning of last year. We also published guidelines on responsible sourcing and the Code of Conduct for suppliers in the middle of last year.

### **In addition to that, you introduced the position of human rights officer in the Group.**

■ Our "Responsible Sourcing Steering Committee" (RSSC), in which our Corporate Sustainability team works with the segments' purchasing managers and their sustainability officers to implement the requirements of the Supply Chain Due Diligence Law, took up activities back in April 2021. The human rights officer recently appointed by the Executive Board monitors the management of the risks associated with our suppliers as well as the remedial and preventive measures introduced. He has also introduced a grievance mechanism that allows external interest groups to anonymously report human rights and environmental violations to the Sustainability Office without the fear of reprisals.

### **The third point, use of raw materials and the circular economy, also concerns the purchasing of products. How was the focus set on the circular economy?**

■ It has been one of the main elements of our business model for a long time, but we never really talked much about it.

We implement the principles of the circular economy in our entire raw material and product portfolio by fully using raw materials wherever possible, avoiding by-products or reintroducing materials in production processes – thus also avoiding recycling costs. For example, the ingredients of one-third of our fragrance compositions are based on wood, which we utilize in this way. The circular economy will be decisive to reach our climate and environmental targets. Because one thing is very clear: We consume too many raw materials, create too much waste for the planet, and don't even fully use its resources. Let's take a look at the food industry, for example: Today, a third of global agricultural production is lost or wasted along the food chain. In addition, the mining and processing of raw materials is responsible for 50% of global greenhouse gas emissions and 90% of biodiversity loss.

### **These goals are enhanced by the last aspect: environmental protection and biodiversity. How do you want to progress in this area?**

■ In 2010, Symrise defined a climate strategy that will make us more sustainable in all areas. That means we are well positioned. To maintain that, we pursue numerous certifications, align with the science-based targets and report on our sustainability activities in a transparent way. In addition, we participate in initiatives. Let me give you an example of this: In June 2022, Eder Ramos, our Global President of the Fragrance division, was appointed honorary Chairman of the Union for Ethical BioTrade (UEBT), an international nonprofit organization that promotes the responsible sourcing of raw materials. We can thus make an active contribution here. Another example: We now integrate nature-related risks and opportunities into our decision-making process as specified in the international Task Force on Nature-related Financial Disclosure.

### **At the beginning of 2023, it was announced that Symrise had once again earned top marks in the yearly sustainability ratings of renowned nonprofit organization CDP, formerly known as the Carbon Disclosure Project.**

#### **How important are such accolades?**

■ We are always happy to receive them because they show that our dedicated work is bearing fruit. For its protection of the climate, water, and forests, Symrise received three A grades in the annual CDP sustainability rating. Based on the CDP data from the 2022 program, Symrise is one of 13 companies to receive three A grades – out of 18,700 participating companies worldwide. Symrise has therefore fulfilled the stringent sustainability criteria for the third time in a row, building on its achievements in the previous year. This all means that we are on the right path, and we will continue to pursue it together with our employees and partners.





**We want to be  
climate-neutral  
along the entire  
supply chain,  
including the raw  
materials pro-  
duced by suppliers,  
by 2045.**



Bernhard Kott,  
CSO Symrise



03

# Sustainability & Responsibility

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# 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.

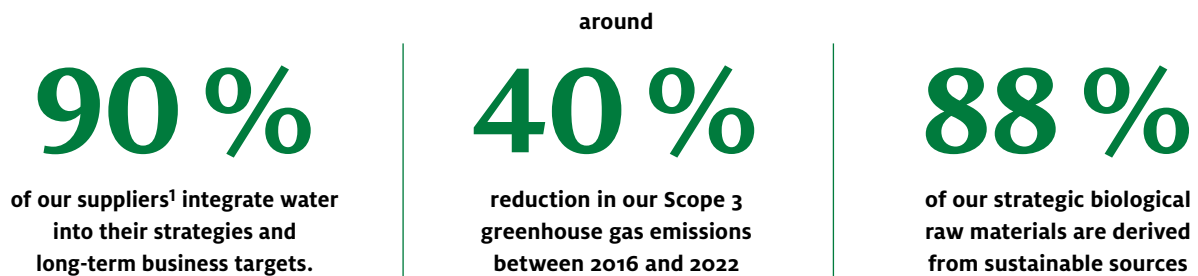
As an active member of the Global Compact, we adhere to its universal principles for responsible corporate management as well as to the Sustainable Development Goals (SDGs) of the United Nations. We actively contribute to achieving them along our entire value chain, from the generation of raw materials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

## 2022 highlights



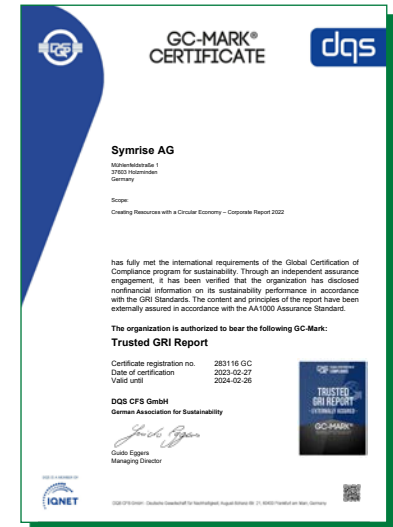
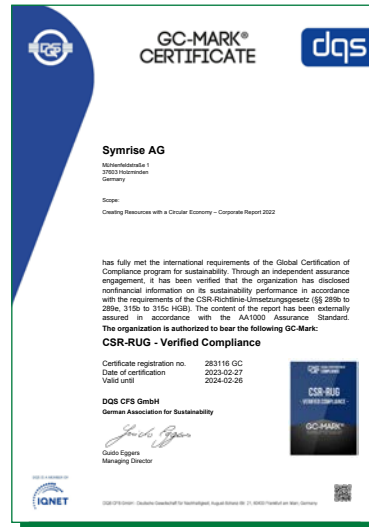
### NEW PARTNERSHIPS IN 2022

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

- Renewable Carbon Initiative
- Low Carbon Transition Project
- ProSpecieRara

<sup>1</sup> Share based on our suppliers defined as strategic in the reporting year who participated in the CDP Supply Chain Program.

# Publications on sustainability in 2022



## Focus Corporate Report

- Integrated corporate strategy
- Central non-financial 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
- Non-financial 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/2022/en/sustainability-responsibility/sustainability-record.html](http://www.symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.html)



The complete Symrise CDP Questionnaire 2022 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](http://www.symrise.com/sustainability/reports-policies-standards-audits/#our-cdp-reporting)

# Highly rated

In 2022, several external rating and ranking agencies once again recognized Symrise for its sustainability strategy and measures. A selection illustrates the areas in which the company is at the forefront.



## ISS ESG

### Improved compared to the previous year

■ Around 10,000 mostly listed companies are rated annually by leading international rating agency ISS ESG (Environmental, Social and Governance). Symrise's current rating improved from Prime C+ to B- in mid-2022. This puts the company in the top 10 % of its industry.



## Sustainalytics

### ESG performance highly rated

■ The Sustainalytics company evaluates companies worldwide based on the risks that threaten their environmental, social and corporate governance efforts. Symrise was ranked 25th out of 540 companies in the area of chemistry.



## Global ESG Monitor

### Ranked first

■ The Global ESG Monitor analyzed non-financial reporting in 625 ESG reports from 350 global listed groups. German companies are at the top overall – and among them, Symrise is once again in first place.



## Carbon Disclosure Project

### One of 13 out of 18,700

■ In its annual sustainability rating, the nonprofit organization Carbon Disclosure Project (CDP) honors companies that excel in the climate, water and forest categories. In 2022, Symrise again achieved the highest A rating in all three areas, making it one of only 13 companies worldwide on the triple-A list. A total of 18,700 companies were assessed.

## Purpose Readiness Index

### Viable and sustainable

For the Globeone Purpose Readiness Index (PRI), more than 4,300 consumers rate the actions and operations of around 130 organizations based on their viability, authenticity, responsibility and sustainability. In the index, Symrise ranked 24th out of 112 and scored 67.9 points – better than average in the pharmaceutical and chemical industry, which was 64.6 points.



## DQS

### Winner in the “Biodiversity” category

In 2022, six out of 60 nominated companies received the Sustainability Heroes Award, which the German Association for Quality (DGQ) and the German Federal Association for Sustainability (DQS) jointly award in six categories. Symrise won in the category of “Biodiversity,” which the company works to preserve along with stakeholders from business, science and society.



## Science Based Targets-Initiative

### Highest standards met

The Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute and the World Wide Fund for Nature are the founders of the Science Based Targets initiative, which today includes more than 1,000 companies. They want to work together to set science-based climate targets. One of the initiative's committees regularly checks to see whether companies are helping to curb the rise in global temperatures. Symrise again meets the SBTi's highest standard.



## BSB Innovation Awards

### Five awards in the cosmetics sector

Symrise won five prestigious European BSB Innovation Awards in 2022. Among other things, the cosmetic ingredient SymHair® Thermo was voted the most innovative natural product in hair care. The Track4Trust™ app was honored for allowing the origin of ingredients to be tracked in a user-friendly and innovative way. In addition, cosmetic ingredient Crinipan® PMC green was named the winner in the environmental category.



# Sustainability management

Sustainability is an integral part of the business model, corporate strategy and company purpose at Symrise. Our business activities ultimately depend on the responsible use and conservation of natural resources as well as the diversity of nature.

## **Sustainability as a business principle**

Our business processes follow the principles of the circular economy to a wide extent. We bundle 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). Concrete goals to be reached by 2025 have been established for each pillar (see page 35). These are directly related to our material topics and are derived from a number of programs, including the United Nations Sustainable Development Goals (SDGs). Our business model uses this comprehensive approach to combine economic success with sustainable governance and social acceptance.

## **We are all called upon**

At Symrise, sustainability is the business of all employees. Everyone is called upon to constantly monitor the work processes in one's own field of activity and responsibility for efficiency, safety and resource conservation, and to develop ideas for improvement. A global network of more than 150 Sustainability Ambassadors promotes targeted initiatives on energy and waste management, climate, water and environmental protection, and occupational health and safety at the corporate locations. Managers are responsible for operationalizing sustainability in their teams and laying out

clear goals. Sustainability objectives are also a component of individual goals for all senior executives, including the members of the Executive Board. This advances our sustainability approach consistently in all divisions. The global cross-business Symrise Sustainability Board ensures the integration of our sustainability principles into the core processes: Under the chairmanship of the Chief Sustainability Officer (CSO), division and staff department management representatives come together multiple times per year to ensure that sustainability-related topics and the concerns of our important stakeholder groups are considered along the entire value chain. The Sustainability Board sets sustainability objectives, which are directly implemented in the respective divisions. To this end, the Executive Board and the Sustainability Board have appointed sustainability officers for the Taste, Nutrition & Health and Scent & Care business segments, as well as one representative each for the staff departments of Human Resources, Finance / Investor Relations, Corporate Communications and Corporate Sustainability. With a view to the Supply Chain Due Diligence Act (LkSG) coming into force in 2023, the Head of the Responsible Sourcing Steering Committee has also joined the Sustainability Board. Direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG, who receives regular reports on the progress of all sustainability activities.



Chief Executive Officer  
Chief Sustainability Officer



Dr. Heinz-Jürgen Bertram,  
CEO



Bernhard Kott,  
CSO



Gaëlle Bathany,  
Cosmetic Ingredients  
Marketing &  
Sustainability



Mark Birch,  
Sustainability Taste,  
Nutrition & Health



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



Michael Klamm,  
Global Procurement,  
Scent & Care



Sascha Liese,  
Corporate  
Sustainability



Friedrich-Wilhelm  
Micus, Corporate  
Communications



Dr. Philippa Smith,  
Sustainability  
Scent & Care

Sustainability Board

**In dialogue with stakeholders and rating agencies**

Symrise receives a great deal of external recognition for its commitment to sustainability. For example, in 2022 we were presented with a Sustainability Heroes Award from the German Association for Sustainability for the third consecutive year. That same year, and also for the third time in a row, we received the top grade of “A” in the climate, water and forests categories from CDP. In 2022, we exceeded the average value for our industry (Chemistry & Pharma) in the Purpose Readiness Index with a score of 67.9 and secured a solid 24th place out of a total of 112 assessed companies. We are proud of this, and it encourages us to intensify our sustainable activities. At the same time, we face mounting challenges, including the increasingly negative consequences of the climate crisis, biodiversity loss and the responsible use of resources as well as the serious effects of the global coronavirus pandemic and Russia’s war of aggression against Ukraine. Symrise seeks a dialogue with all relevant stakeholder groups in order to discuss current developments and to meet the needs of various stakeholders regarding sustainable governance. Examples of this are the various WBCSD committees, global representative bodies IFRA and IOFI, and initiatives such as OP2B and the Development and Climate Alliance.

We exchange sustainability information particularly closely with the company’s shareholders, investors, voting proxies and rating agencies. When it comes to the communication of our ESG performance to investors, rating agencies MSCI, Sustainalytics and ISS ESG in particular offer high quality and effectiveness for our company. Moreover, our sustainability performance is regularly evaluated by internationally recognized institutions such as CDP, EcoVadis and Sedex. Customers as well as investors are interested in the continued development of our sustainability reporting, which will increase the transparency of our business processes and allow for better assessment of the opportunities and risks inherent to our business activities.

More than 150 Sustainability Ambassadors worldwide

More than 12,000 employees in more than 40 countries

# Our material topics

With the comprehensive update of our materiality analysis, we have refined the strategic priorities underpinning our sustainability management. At the very top of our agenda: climate change mitigation, circular economy, biodiversity and human rights.

■ We updated our materiality analysis in the 2022 reporting year using a comprehensive analysis process consisting of multiple online surveys and qualitative interviews with key stakeholders.

Where appropriate, we revised and reclustered topic headings and content as part of this. For example, the “Protection of biodiversity” topic has been expanded to “Environmental protection & biodiversity,” while the previously separately evaluated topics of “Sustainable partnerships” and “Support of local communities” have been merged to create “Partners & Communities” with a view to focusing the content. “Employer attractiveness” has been integrated into related topics. Management of climate risks by Symrise is now explicitly addressed with the “Climate change mitigation & adaptation” topic, addressing the tackling of the climate crisis and more.

The qualitative significance of this year's analysis has been further increased through 30+ interviews with managers, Executive Board members and experts in various stakeholder groups – investors, customers, NGOs, scientists, politicians and associations.

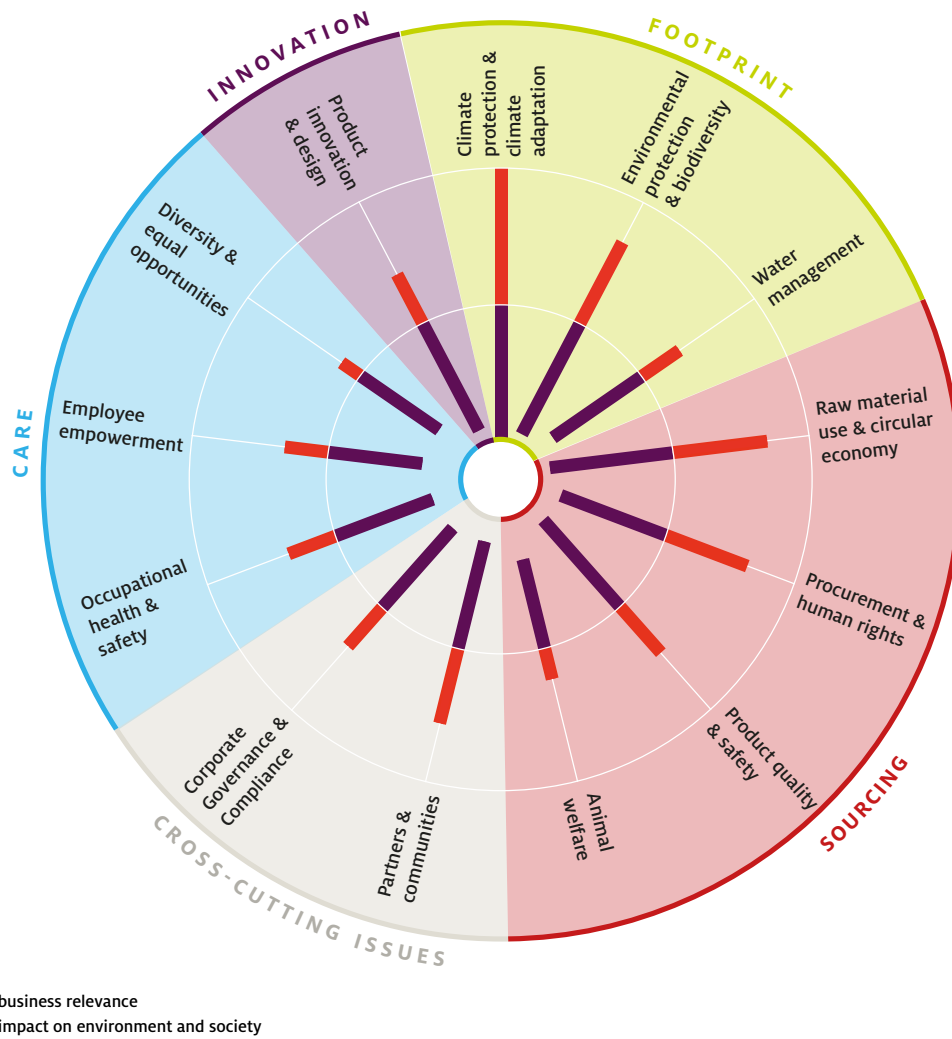
This allowed us to identify “Climate change mitigation & adaptation,” “Environmental protection & biodiversity,” “Use of raw materials & recycling solutions” and “Sourcing & human rights” as the four topics with the highest materiality and thus strategic precedence to Symrise. These four topics were rated highest in terms of both business relevance and prospect of having an impact. The contextual focus unifies employees and managers. Among all stakeholders, the topic of “Climate change mitigation & adaptation” is the most material topic. Experts also designated “Partners and Communities” a key lever, enabling Symrise to make a positive difference beyond the company itself with partners and thereby exert an impact and multiplier effect on the industry. In particular, management emphasized the importance of the “Product innovation & design” and “Product quality & safety” topics for the company's value creation.

»

**The results of our materiality analysis get to the heart of our strategic understanding of sustainability: climate, biodiversity, circular economy and human rights have the highest priority for Symrise.**

«

**Bernhard Kott,**  
Chief Sustainability Officer Symrise



»  
**Symrise can positively influence suppliers to implement climate-relevant measures.**  
 «

**Dr. Helmut Frieden,**  
 VP Corporate Sustainability

When compared to the last materiality analysis conducted in 2019, these results underpin once again the focus of Symrise on sustainability in the area of “Footprint and sourcing” – the difference being that climate is the clear priority this year. For the first time, “Biodiversity” also became one of the top four topics at Symrise. “Use of water” and “Corporate Governance & Compliance” became comparatively less important this year. With a view to the product topics rated higher from a management perspective, the latter is indicative of the continuous shift in emphasis in sustainability – away from governance in general and specific environmental management towards a more holistic product and core business transformation.

The results of the materiality analysis have been discussed and validated by the Sustainability Board. They therefore also define the framework for our sustainability reporting (Sustainability Report and Corporate Report) in preparation for the CSRD.

# Goals and management of our sustainability topics



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

[www.symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.html](http://www.symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.html)

- ↑ Better
- Unchanged
- ↓ Worse

1 All figures relative to the value added  
 2 Relative to market launch in the past three years  
 3 Based on 90% (by 2025) of the procurement volume  
 4 Environment, Labor, Human Rights, Health & Safety, Business Integrity, Ethics, Sustainable Procurement  
 5 Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program

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

GOAL ATTAINMENT 2022	PROGRESS TO 2021	MANAGEMENT METHODS	VALUE ADDED	SDGS
<p>A reduction of around <b>40 %</b> in Scope 3 greenhouse gas emissions between 2016 and 2022. By 2025, we want to increase the eco-efficiency of emissions by <b>15 %</b> compared to 2020.</p> <p><b>85 %</b> of our suppliers<sup>5</sup> report greenhouse gas emissions.</p>	↑	TCFD commitment, CDP climate change	<p>Product development &amp; manufacturing processes</p> <p>Customers &amp; consumers</p>	
<p>The efficiency of chemical oxygen demand in wastewater<sup>1</sup> increased by <b>11.2 %</b> in the reporting year</p> <p>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 sensitive waste.</p>	↓	Green chemistry approach, recovery through patented Symtrap® process	<p>Raw materials</p> <p>Product development &amp; manufacturing processes</p>	
<p>Sustainable sourcing of <b>88 %</b> of our strategic biological raw materials in 2022.</p>	↑	<p>Sustainable supply chain management, raw material certifications, backward integration, CDP forest</p> <p>Involvement in a variety of international (industry) initiatives</p>	Raw materials	
<p><b>87 %</b> of our suppliers<sup>3</sup> assessed according to sustainability criteria<sup>4</sup>.</p> <p>Sustainable sourcing of <b>88 %</b> of our strategic biological raw materials in 2022.</p>	↑	<p>Supplier screening, certifications and audits; involvement in international (industry) initiatives (SAI, FSC, CDP Supply Chain Program, Rainforest Alliance, RSPO, GIZ, Save The Children, IFFO, etc.); the German Supply Chain Due Diligence Act (LkSG) will increase supplier assessment on the basis of sustainability criteria to nearly 100 % in 2023</p> <p>Internal and external audits and certification; supplier screening (Sedex/EcoVadis) and supplier audits</p>	<p>Raw materials</p> <p>Product development &amp; manufacturing processes</p>	
<p>Continuation of long-term project partnerships.</p> <p>Joined new initiatives in 2022, including the Renewable Carbon Initiative and Low Carbon Transition Project.</p> <p>Tailored <b>support for local communities</b> (charitable, social) in areas where Symrise sources its strategic raw materials.</p>	→	<p>Involvement in a variety of international industry collaborations, partnerships and pre-competitive approaches..</p> <p>Needs assessments according to site</p>	<p>Raw materials</p> <p>Product development &amp; manufacturing processes</p> <p>Customers &amp; consumers</p>	
<p><b>No significant product safety incidents</b> in 2022.</p>	→	Internal and external audits; safety certifications	<p>Product development &amp; manufacturing processes</p> <p>Customers &amp; consumers</p>	
<p>With <b>15.1 %</b> of sales from new product developments<sup>2</sup>, we again exceeded our target value in the reporting year.</p> <p>We exceeded the target of <b>&gt;15 %</b> once again – however, the 2022 value fell short of the previous year's unusually high value of <b>16.7 %</b>.</p>	↓	<p>Market and trend research, consideration of regulatory requirements, product sustainability scorecard, green chemistry approach</p> <p>Integrated management system, Nagoya Protocol Committee, Nagoya policy</p>	<p>Product development &amp; manufacturing processes</p> <p>Customers &amp; consumers</p>	

# Goals and management of our sustainability topics

TOPIC	SELECTED GOALS
<b>Corporate Governance &amp; Compliance</b>	<p>By 2025, we are planning for an above-average global tax rate of <b>25 % to 27 %</b>.</p> <p>Ensure that all <b>Symrise sites</b> are audited in accordance with relevant standards.</p>
<b>Occupational health &amp; safety</b>	<p>“Zero-accident culture” and reduction in frequency of accidents to <b>MAQ<sup>7</sup> &lt; 1,5 by 2025</b>.</p> <p>Maintain a high level of <b>safety management</b> at the facilities.</p>
<b>Use of water</b>	<b>Reduction of water use<sup>8</sup></b> by 15 % at all production sites in arid regions by 2025.
<b>Employee empowerment</b>	Maintain and expand <b>training courses</b> and employee <b>support</b> at all sites.
<b>Diversity &amp; equal opportunity</b>	<p>At least <b>30 %</b> women at the first global management level directly below the Executive Board and at least <b>45 %</b> women at the second global management level by 2025. Long-term target of <b>20 %</b> women on the Executive Board.</p> <p>Maintain and increase <b>site attractiveness</b>, establish Symrise as an <b>“employer of choice”</b>.</p>
<b>Animal welfare</b>	<p>Fulfill <b>animal welfare standards</b> in our supply chain.</p> <p><b>100 %</b> of our chicken-based raw materials in Europe procured from sustainable sources by 2026.</p>

<sup>5</sup> Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program

<sup>6</sup> Number of employees (headcount not FTE) excluding temporary workers and apprentices, trainees and Probi employees as of Dec. 31 of the reporting year. Minor deviations may occur due to rounding.

<sup>7</sup> MAQ = work accidents (> 1 lost day) x 1 million/working hours

<sup>8</sup> At production sites in regions with water stress (= Egypt, India, Mexico, Spain, Chile)

GOAL ATTAINMENT 2022	PROGRESS TO 2021	MANAGEMENT METHODS	VALUE ADDED	SDGS
<p>In 2022, our effective group tax rate was <b>32.6%</b> due to the impairment of the investment in Swedencare AB. Without the Swedencare effect, the tax rate would have been 25.2%.</p> <p><b>100%</b> of Symrise sites audited in accordance with relevant standards.</p>	↓	<p>Further development of the Integrated Management System (IMS), external certifications, internal and external audits</p>	<p>Raw materials</p> <p>Product development &amp; manufacturing processes</p> <p>Customers &amp; consumers</p>	  
<p>Routine <b>management safety visits</b> by global managers.</p> <p>Thanks to our <b>Symsafe activities</b>, the MAQ rate has been reduced to <b>2.8 MAQ<sup>7</sup></b> accident frequency.</p> <p>In 2022 there was a fire at the Colonel's Island site in the US. No injuries were reported.</p>	↑	<p>Management safety visits, ISO 45001, internal as well as external audits, continuous safety training courses</p> <p>Internal and external audits, certifications and inspections</p>	Product development & manufacturing processes	
<p>Water use at sites in dry regions<sup>8</sup> dropped by around <b>4.3%</b>. In a region in Mexico that has struggled with severe water scarcity in recent years, a variety of projects that, for example, tap into alternative water sources, enhance piping for condensation tanks and promote the storage and reuse of water resulted in water savings of nearly <b>40%</b> compared to the previous year.</p> <p><b>90%</b> of our suppliers<sup>5</sup> integrate water into their strategies and long-term business targets.</p>	↑	<p>Symrise water policy, annual CDP water disclosure</p>	<p>Raw materials</p> <p>Product development &amp; manufacturing processes</p>	 
<p>Regular training opportunities and further education for all employees. In 2022: on average <b>14 hours</b> of face-to-face learning per employee via the Symrise learning platform.</p>	→	<p>Talent management, personnel development and employee recruitment</p>	Product development & manufacturing processes	
<p>Of the <b>11,504 employees<sup>6</sup></b> worldwide in 2022, <b>4,371</b> were women, which corresponds to a share of <b>39.8%</b>.</p> <p>The share of women at the first level of management beneath the Executive Board amounted to <b>16%</b> in 2022; at the second level of management it amounted to <b>37%</b>.</p> <p>Diversity initiatives have been launched in Latin America and Asia.</p>	↓	<p>Integrated Management System, talent management, employee recruitment</p> <p>Site activities, employee recruitment</p>	Product development & manufacturing processes	
<p>Drafting of a guideline on handling animal experiments in 2020.</p>	→	<p>Animal welfare policy, commitment to international animal welfare standards with partners, supplier qualification, supplier assessments and audits, traceability.</p>	Raw materials	

# Focus on materiality: Climate change mitigation & adaption

The climate crisis is the threat of our times. Climate change mitigation and adaptation pose a considerable challenge, but also represent a major opportunity. One of those driving this topic internally is Dr. Helmut Frieden – Vice President Corporate Sustainability at Symrise. He is conscious of the need for companies to act to mitigate climate change and the necessity for the net zero strategy of Symrise, and also knows which are the biggest steps that have to be taken along the way.

## **To what extent is Symrise specifically addressing climate change mitigation and climate crisis adaptation?**

“We are continuously defining new climate change mitigation measures and refining our targets. Since 2017, we have had our climate goals scientifically examined and endorsed by the Science Based Targets initiative (SBTi) – in other words, they have been externally validated to determine whether they are consistent with the target of limiting global warming caused by the greenhouse effect to 1.5 °C. Symrise is therefore one of the world’s first 100 SBTi-certified companies and the first SBTi member in its industry. Our current goals are clear: In terms of Scope 1 and 2 emissions, we want to be climate-positive by 2030 – which means we intend to emit

fewer emissions than we consume. And we want to reduce our Scope 3 emissions by 30 % so that we can play our part in achieving the climate goals set out in the Paris Agreement by 2045.”

## **What is the biggest challenge for Symrise on the path to net zero?**

“When it comes to Scope 3 emissions, we have nearly 1.6 million tons of CO<sub>2</sub> emissions to consider. An enormous effort is required to reduce these. That is why we are taking part in the CDP Supply Chain Program, which helps our suppliers to share their environmental goals and data. Herein lies the biggest challenge we face in the short term until 2030 and in the long term until 2045: increasing the number of our suppliers within the CDP Supply Chain Program and improving their data quality.”

## **How have you integrated climate change mitigation into your corporate strategy?**

“We have linked Executive Board remuneration to climate and sustainability key performance indicators (KPIs) since 2021. This way, we are incentivizing and anchoring the reduction of our emissions as well as climate change mitigation and sustainability measures within the personal goals of Executive Board members. The integration of climate change mitigation into our corporate strategy thus takes the form of a virtuous circle: We first define goals and KPIs, take the relevant measures and launch programs – and make their progress and success monetarily relevant for the Executive Board. Our Supervisory Board explicitly requested such an implementation and investors are also increasingly calling for the same.”

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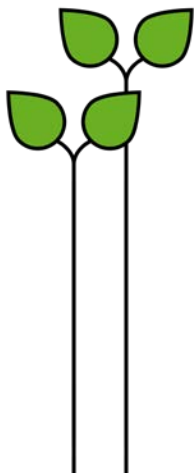
**Since 2017, the Science Based Targets initiative has validated the climate goals of Symrise AG, which were confirmed with the highest ambition level in the most recent evaluation in 2022.**

»



**How do you raise awareness of climate change mitigation among your employees so that they in turn become key multipliers?**

■■■■■ “We have appointed 150 Sustainability Ambassadors within our sustainability organization. They ensure that sustainability messaging gets passed down from the top, but also transfer ideas from employees upwards. Important topics are conveyed to and internalized by all employees thanks to the efforts of the Ambassadors. And the Ambassadors forward ideas proposed by employees – to Idea Management. This approach has proven successful in scenarios such as reducing the thermostat setting from fall onwards and more efficient lighting systems. The feedback and response have been very positive. The employees then put these ideas into practice in their private lives as well – perhaps by considering what they might do with their own thermostats or lights at home.”



«

**Climate change mitigation and sustainability KPIs have been embedded in the personal goals of Symrise Executive Board members since 2021.**

»

**Dr. Helmut Frieden,**  
VP Corporate Sustainability

# Focus on materiality: Environmental protection & biodiversity

Almost 80 % of the raw materials of Symrise come from natural sources. The climate crisis is associated with an enormous loss of biodiversity – and therefore has a direct impact on our core business. Eder Ramos, President of the Fragrance division and Chairman of the Union for Ethical BioTrade (UEBT), and Sascha Liese, Director Corporate Sustainability and a biodiversity expert, are responsible for the topic of natural diversity at Symrise.

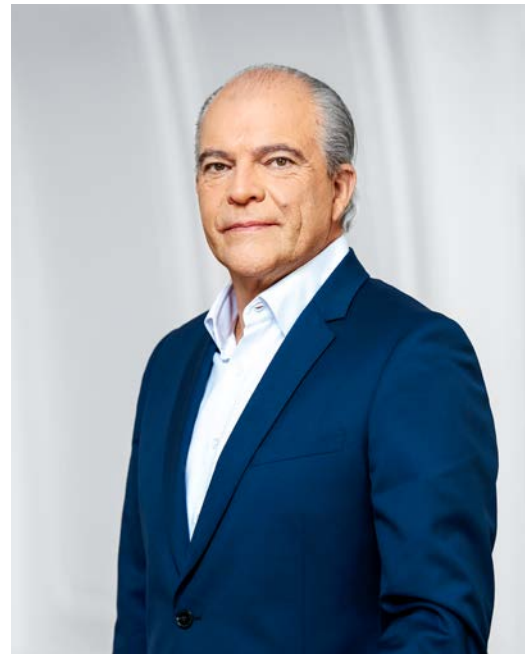
## How and why does Symrise intend to become a pioneer in the conservation of biodiversity?

**Sascha Liese:** “On the one hand, because customers, investors, consumers, civic organizations and, increasingly, governments expect companies like Symrise to avoid if possible or minimize their operational impact on biodiversity and ecosystems. On the other hand, because our business model has long been closely linked with biodiversity and ecosystems and we want to make sustainable use of the treasures nature has to offer in the future as well.”

«  
It is crucial that we at Symrise assert our principles and interests in sustainable sourcing and raw material use, for the benefit of people and nature in these difficult times.  
»

**Eder Ramos,**  
President of the Fragrance division and CEO of UEBT

The Union for Ethical BioTrade (UEBT) is an international nonprofit organization that promotes responsible sourcing of natural raw materials. It aims to support and verify the commitments and contributions of its member companies. Symrise has been a UEBT member for many years and Eder Ramos has been representing the UEBT Executive Board externally in his capacity as Chairman since June 2022.



**Eder Ramos:** “For myself as President of the Fragrance division, biodiversity serves as an invaluable source of raw materials and inspiration for the creation of unique fragrance compositions. It is therefore in our interest to play our part in conserving biodiversity and making use of its components in a sustainable manner.”

That is why Symrise has also set itself the global goal of obtaining an increasing share of strategically important biological raw materials from verified sustainable sources. We are working closely on this with selected customers, suppliers and non-governmental organizations such as UEBT that are helping us to establish ethical and eco-friendly standards in our supply chains.”

**What are the greatest needs for action and challenges at Symrise when it comes to biodiversity?**

ER: “We face a combination of challenges – economic ones, such as rising raw material prices and supply chain difficulties. Social challenges, such as demographics, migration and human rights. Environmental challenges: the climate crisis, water scarcity, soil erosion, pollution and their negative consequences on the productive force of the ecosystems in the countries where we source our natural raw materials. This is why it is of crucial importance that we as a company assert our principles and interests in terms of responsible raw material sourcing and use, to the benefit of people and nature, in these difficult times.”

**What challenges, as well as opportunities, do you see in making your company’s impact on natural diversity (more) measurable?**

SL: “The problem is that there is not one general indicator which can be used to measure biodiversity, and it is often not possible to directly quantify positive or negative changes in biodiversity at a local level as the indirect consequence of operational decisions. What we can already measure, evaluate and consider well in decision-making processes today is, for example, the conservation status of species and populations from which we obtain our raw materials and also the environmental integrity of growing regions. This also applies to the ecological footprint of raw materials and products – in the future, we will not only look at CO<sub>2</sub>, but also water use, land use and biodegradability. Another important aspect is the direct and indirect evaluation of the sustainability or unsustainability of farming and forestry practices, e.g. based on certifications, information from suppliers or on-site audits conducted by reliable partners with biodiversity expertise such as UEBT. All of these are helping us to identify sustainability risks at an early stage and take steps to deal with them.”



«  
**We want to use nature’s treasury sustainably both now and in the future.**  
 »

Sascha Liese,  
 Director Corporate Sustainability  
 and biodiversity expert

**How does Symrise prepare itself for possible raw material shortages and how does the company want to use raw materials more efficiently in the future?**

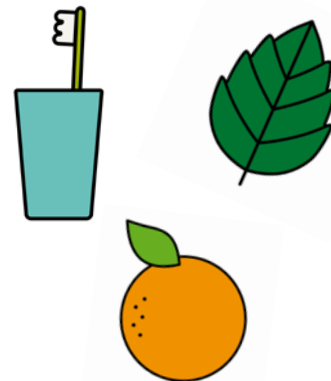
ER: “With respect to critical raw materials: By investing in the supply chain, no longer using particular materials on sustainability grounds, as we have already done in the past, and searching for alternatives in nature or investing in nature. Of course, other options would be to expand our supplier base, source from more countries and avoid the use of critical resources right from the start of product development through green chemistry and sustainable product design. There are many different approaches that can help to reduce the pressure on nature, ecosystems and biodiversity and may even have a positive impact on people and nature.”

# Focus on materiality: Use of raw materials & recycling solutions

Natural raw materials are the basis of our products, but often only available in limited quantities. That is why our supply chains and the sourcing of raw materials need to be more resilient, and our material loops closed. Michael Klamm, Senior Vice President, Global Procurement, Scent & Care, at Symrise, explains what responsibility we bear in the “race for resources” and how Symrise is constantly working towards more sustainable resource use.

## How do you see Symrise positioned in the race for resources?

“Symrise is definitely well positioned in this race. However, I can only speak for the Scent & Care division, and there are obviously some touch points with renewable resources there. The raw materials and the products that we use and manufacture in North America for example, are derived from natural renewable resources. Take for instance artificial mint, which we produce for toothpaste and other products from a by-product of orange juice production, namely the oils from the orange peel. This is one way in which we are contributing to resource conservation.”



## How is Symrise specifically addressing the challenge of sustainable resource use?

“It is clear to us that we should continue to increase the share of products from sustainable resources. We have a team of engineers that is constantly optimizing the crude sulfate turpentine (CST) output of our suppliers so that we can increase the quantities of these resources. Crude sulfate turpentine, a natural oil obtained from conifers, is one of the biggest raw materials we purchase in Scent & Care – we therefore believe there is particular optimization potential here. We also support projects in various parts of the world where we work together with local farmers to improve their processes with a view to obtaining natural products. In addition, we empower other suppliers and engage closely with them on using more sustainable products as raw materials.”

«

**The revised Responsible Sourcing and Supplier Code of Conduct has served as a new guideline for suppliers and responsible sourcing at Symrise since 2022.**

»



# The Scent & Care procurement department at Symrise increased the share of its suppliers evaluated according to sustainability criteria to 93 % in 2022.



Michael Klamm,  
Senior Vice President, Global Procurement, Scent & Care

## How is the topic integrated into the corporate strategy?

“We aim to increase the share of our suppliers rated according to sustainability criteria – based on 90 % of the procurement volume – to 100 % by 2025. We are already at 93 % in this respect in Scent & Care. However, the company as a whole is not yet at this level. That is why we published a revised and very detailed policy, the Responsible Sourcing and Supplier Code of Conduct, in 2022. We require our suppliers to comply with these guidelines. At the same time, this is good preparation for the Supply Chain Due Diligence Act (LkSG), which takes effect from January 2023.”

## You can improve your customers’ sustainability performance by optimizing packaging and making it more sustainable, avoiding destruction and consolidating shipments. How are you already addressing these aspects?

“Wherever possible, we always buy in the largest packaging size or in bulk commodities and we never stop looking for ways to improve: For example, we get various deliveries during the week from one supplier, which we consolidate. We carry out such consolidations wherever possible. We are also constantly optimizing the freight and shipments to our customers.”



# Focus on materiality: Sourcing & human rights

Our supply chains are complex and extensive. It is therefore all the more important to clearly define general conditions for responsible sourcing and the protection of human rights. Doris Gattermann, Director Corporate Sustainability and a member of the Responsible Steering Committee, explains what these guidelines look like in practice and how Symrise is addressing current challenges.

## **How is Symrise addressing the two-fold challenge of respecting human rights while ensuring materials are sourced in the most eco-friendly way?**

“Achieving full transparency and traceability across our extensive supply chains – we purchase more than 10,000 raw materials – is a challenge. The LkSG covers not only raw material suppliers, but also all of our own operations and what are known as ‘indirect spend’ supply chains. This further increases the complexity and scope.

«

**Greater transparency in upstream supply chains and indirect procurement expenditure, aside from raw materials, as a particular challenge and opportunity.**

»

Symrise has taken a number of steps, including establishing a due diligence approach, in order to obtain more information about our suppliers’ business practices in addition to the various audit stages – also in view of the risks specific to the respective countries and sectors. Before a supplier is even accepted, we ask about its business practices and its policies on anti-discrimination, child labor and workers’ rights and protections. We also request information on environmental aspects. If the identified risk is considered high, we conduct further evaluations, up to and including on-site audits. Before doing business with suppliers, we require assurance from them that they will comply with our supplier code, which explicitly sets out our expectations of suppliers.”

## **What might a cross-divisional approach look like at Symrise in view of the LkSG? How can the various segments learn from each other in this regard?**

“Our responsible sourcing strategy and management approach generally relate to suppliers and are independent of the segments. However, the experiences of the segments and the operational procurement areas are very valuable, as they have a better understanding of the general conditions that may lead to risks (root cause) on account of their close relationships and experience with business partners, also on-site. More targeted prevention or mitigation measures can then be drawn up. In addition, the segments are in close contact with suppliers and are able to directly address problems or work on improvements with them due to their long-standing relationships.”

**In which areas of your supply chain do the biggest challenges still lie? How are you addressing these?**

“On the one hand, we want to create more transparency in upstream supply chains – meaning with regard to our suppliers’ suppliers. This primarily requires good collaboration and strong mutual trust with suppliers. On the other hand, there has to be greater transparency in respect of ‘indirect procurement expenditure.’ This means all purchases that are important to keeping a business running but do not go directly into the product. We are currently working with our colleagues in Technical Purchasing on new and pragmatic solutions for reviewing service providers in a wide range of sectors – also in close collaboration with Sedex. We can make much more progress quickly when we work together on these matters rather than alone.”

**How can Symrise further increase its impact on sustainability matters beyond the company by encouraging others to improve their performance in this area?**

“There is potential for this in the supplier / customer relationship: If both sides are interested in collaborating and growing in the long term, then the willingness of suppliers to improve represents a mutual advantage. After all, we are not the only ones who benefit when there are fewer risks in relation to our products and the employees in the relevant supply chains. Suppliers themselves also gain by becoming a more interesting partner for other customers through this. Also, there is potential in respect of Scope 3 emissions: We have the greatest climate impact through our products. That is why we are working on incorporating our downstream supply chains into our reduction plans as well, so that we can have an even greater impact there.”

**Are you already encouraging suppliers to implement climate-relevant measures?**

“We work with the CDP Supply Chain Program and invite further suppliers from our portfolio every year so that we can also encourage them to

«

**226 Symrise suppliers participated in the CDP Supply Chain Program in 2022. That represents an increase of almost 40 % over the previous year.**

»

**Doris Gattermann,**  
Director Corporate Sustainability



sign up for reduction targets and disclosure. Through our Bridging The Gap projects – where we work with selected suppliers in a multi-stakeholder engagement – we also attempt to establish sustainable products and cultivation practices in agriculture by providing training to farmers and involving local communities.”



04



From the

# Group Management Report & Consolidated Financial Statements

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# Symrise at a glance

always inspiring more ...

## SEGMENTS



## 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.

**Dynamic sales growth**

2006 – 2022 CAGR 8.6%

**Highly profitable**

EBITDA margin 2006 – 2022 between 19% and 22%

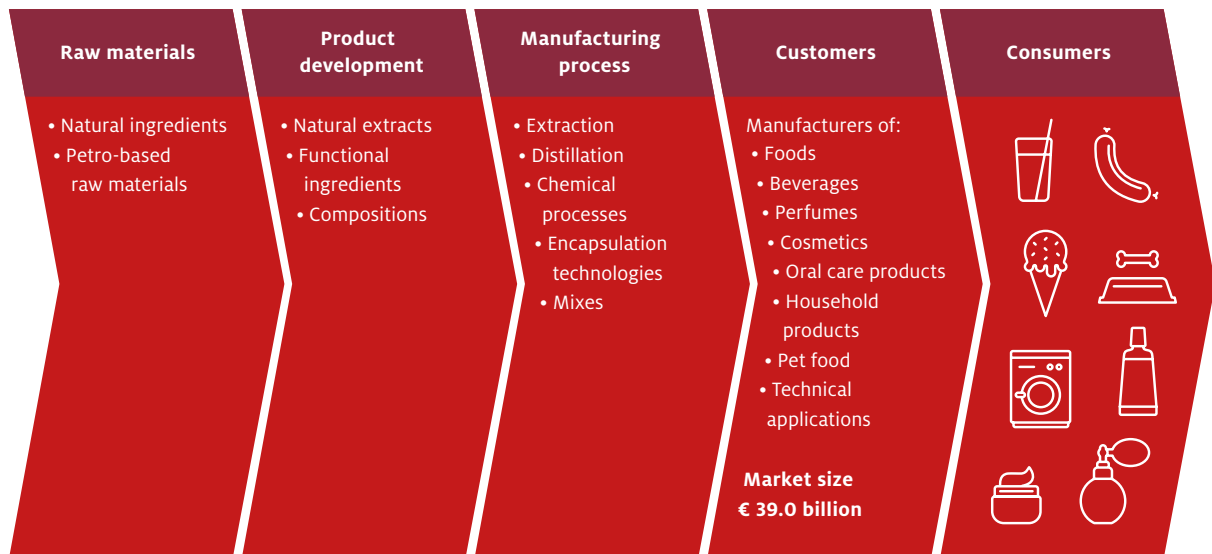
More than **12,000 employees**

in over 40 countries

More than **6,000 customers**

in over 150 countries

## SYMRISE'S VALUE CHAIN

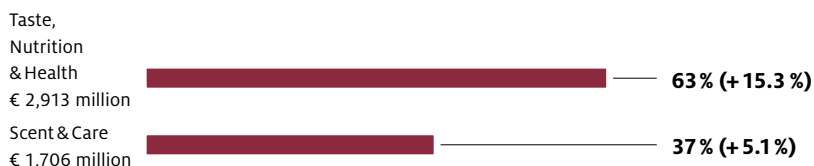


# 2022 Highlights

## Double-digit organic sales growth

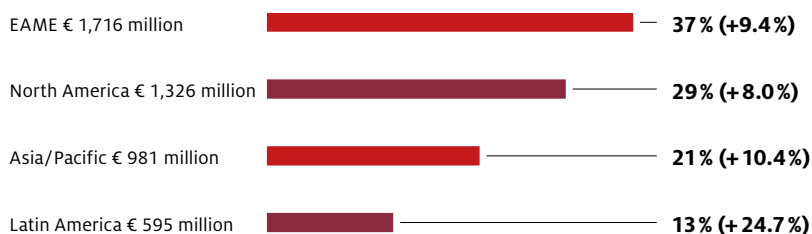
### SALES BY SEGMENT

as % of Group sales and organic growth in %



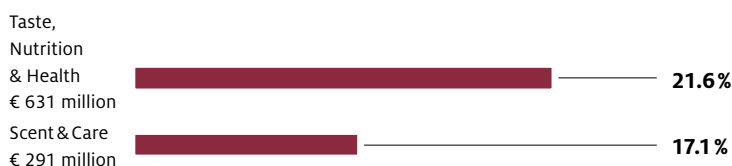
### SALES BY REGION

as % of Group sales and organic growth in %



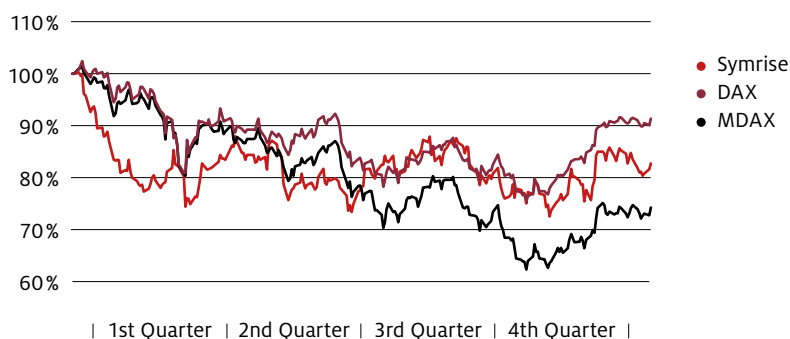
### EBITDA<sup>1</sup> (MARGIN) SEGMENTS

in € million and as % of Group sales



### SHARE PRICE DEVELOPMENT

of the Symrise stock in 2022



Sales  
**€ 4,618 million**  
 Organic growth  
 11.4%

EBITDA<sup>1</sup>  
**€ 922 million**  
 EBITDA margin 20.0%

EBIT<sup>1</sup>  
**€ 630 million**  
 EBIT margin 13.6%

Net income<sup>1</sup>  
**€ 406 million**

Earnings per share<sup>1</sup>  
**€ 2.91**

Proposed dividend  
**€ 1.05**  
 per share

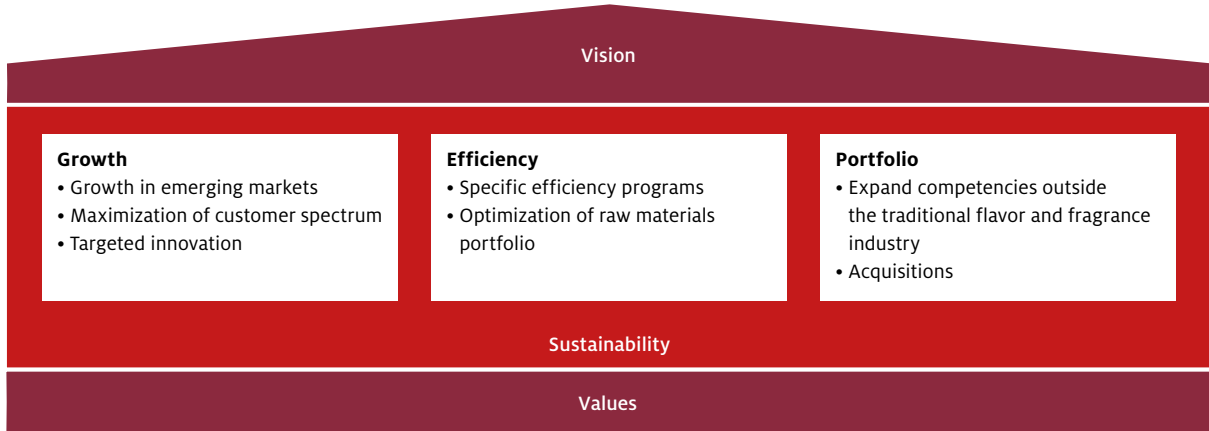
Market capitalization  
**€ 14.2 billion**

at December 31, 2022

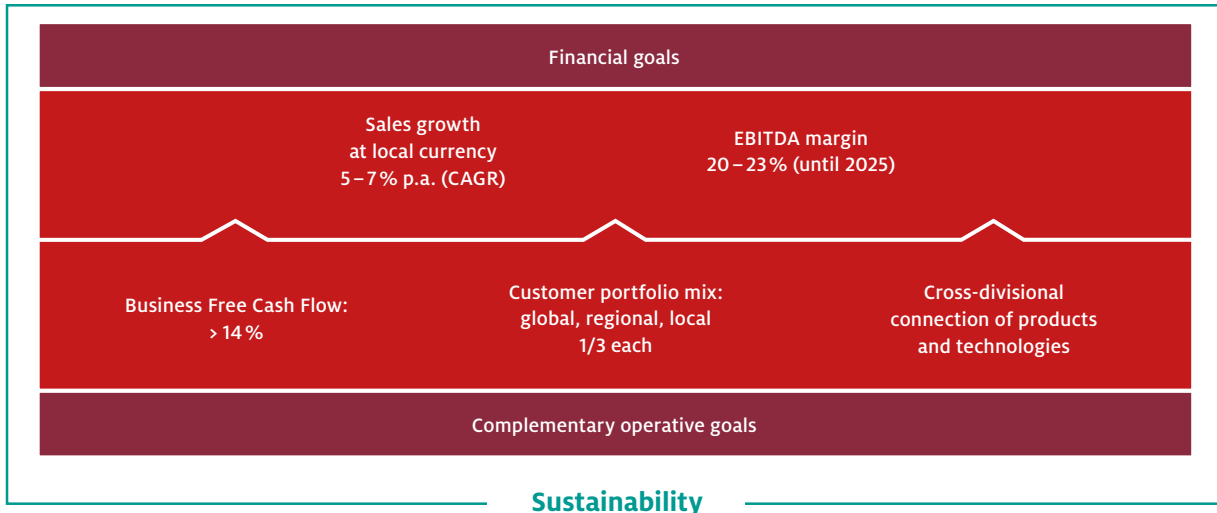
<sup>1</sup> Excluding impairment of the associated company Swedencare

# Basic information on the Symrise Group

## STRATEGY



## GOALS



## 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 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 € 4.6 billion in the 2022 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 2022, Symrise shares have been listed on the DAX® index since September 2021. Currently, about 95 % of the shares are in free float.

Operational business is the responsibility of 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). 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's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,584 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, Madagascar, Brazil, Mexico, Singapore, China, India, Japan and the USA. Symrise has sales branches in more than 40 countries.

Symrise sites 2022



- 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.

As of the end of the reporting period (December 31, 2022), Symrise AG's Executive Board had three members: Dr. Heinz Jürgen Bertram (CEO), Olaf Klinger (CFO and IT) and Dr. Jean-Yves Parisot (President Taste, Nutrition & Health). With effect from February 1, 2023, the Executive Board was expanded to five members with the addition of Dr. Jörn Andreas (President Scent & Care) and Dr. Stephanie Cossmann (President HR and Legal).

The Executive Board is responsible for managing the company with the primary goal of increasing the company's value in a sustainable manner.

Symrise AG's Supervisory Board has twelve members. It 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. 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.



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.

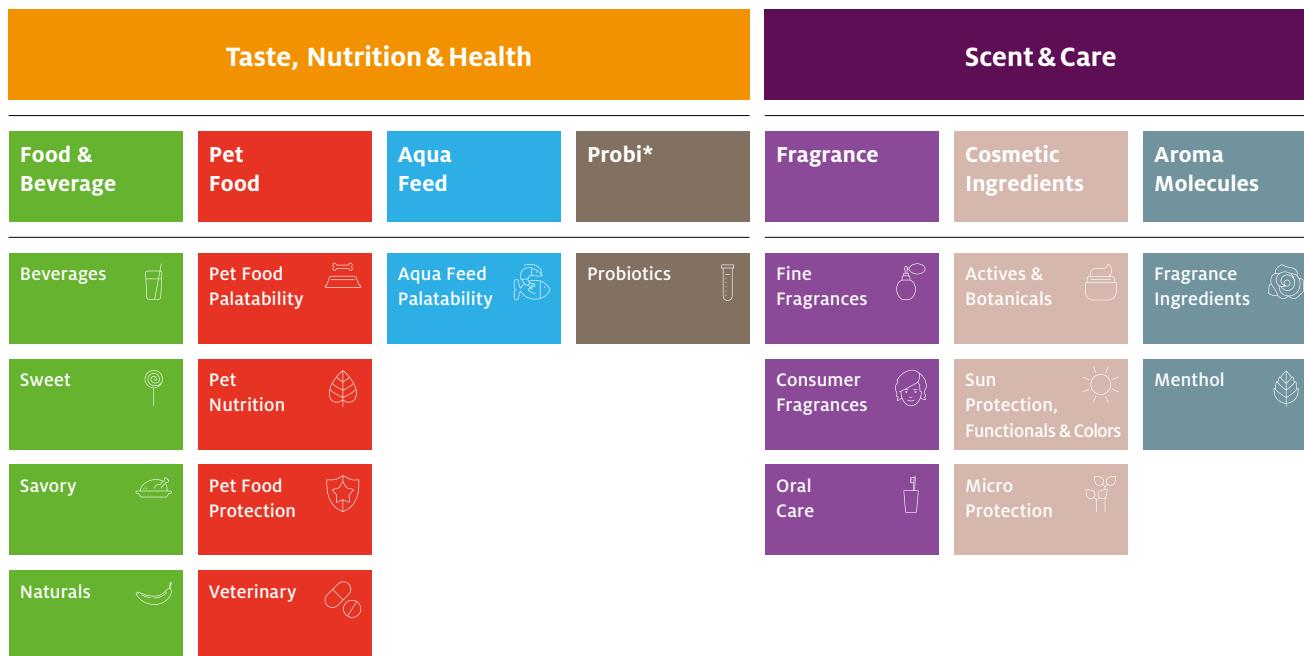
## BUSINESS ACTIVITIES AND PRODUCTS

### 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 often play a decisive role 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 ad-

ditional 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 proportion of preservatives in care products.

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.



\* Majority shareholder in the Swedish company Probi AB

## 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 40 countries and sells its nearly 19,000 products in 147 countries. Taste, Nutrition & Health aims to make life better and healthier. The segment uses its combined expertise 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 products. With more than 100 sites in more than 40 countries, the segment serves the markets of the food and beverage industry as well as producers of pet and fish food.

**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 recommends 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 in four application areas.



**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. In addition, Symrise offers differentiated taste, nutrition and health solutions for the growing market segment of alternative protein products.



**Naturals:** The division offers a wide range of innovative, natural and sustainable ingredients for the above-mentioned application areas, 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, vege-



tables, 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. Diana food™ and IDF® are portfolio brands of the Naturals business unit of Food & Beverage.

**The Pet Food:** The division offers high-quality, sustainable solutions for pet food manufacturers worldwide that ensure the well-being of pets and satisfaction of pet owners. These include numerous product solutions and services for improving taste and pets' acceptance of foods, achieving pet food safety and for animal health. The division comprises four business units: Pet Food Palatability, Pet Nutrition, Pet Food Protection and Veterinary. Following the idea of "the closer, the better," Pet Food 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 expert 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.

**The 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). This incubator 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 units researching sugar reduction, food protection 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 128 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in various areas:

**Fragrance:** The objective of the Fragrance division is to convey "a better life through fragrance." The division employs highly talented and respected perfumers of different nationalities who work at 13 creative centers around the world. They combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). The creative and composition business of Symrise comprises the three global business units Fine Fragrances, Consumer Fragrances and Oral Care:



**Fine Fragrances:** Modern perfumery is designed in the creative centers of the Fine Fragrances business unit in Paris, New York, Mexico City, Shanghai, Dubai, São Paulo, Barcelona, Singapore and Mumbai. Symrise is creating new, exciting fragrance experiences with a rich pipeline of its own fragrances. In 2022, Symrise also expanded its range of high-quality natural ingredients for fine fragrances under the Lautier brand.



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



**Oral Care:** The business unit Oral Care covers a wide range of products from toothpaste and mouthwashes to chewing gum. For this, Symrise offers the entire range of mint flavors and their intermediate products.

**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 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 35 innovation awards for new substances over the past ten years. During the same period, 136 patent applications were filed, 26 of them in 2022 alone.

**Aroma Molecules:** The division includes the business units Menthols and Fragrance Ingredients. 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 € 28.6 billion in 2021 to € 31.2 billion in 2022, 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 € 7.5 billion in 2021 to € 7.8 billion in 2022, according to reports of IAL (3rd Edition, December 2022). Together, these markets are also referred to as the AFF market, which would have a volume of € 39.0 billion. This market will grow by around 3 % to 4 % in the long term. In 2022, the growth of this relevant market was around 8 %. However, this was due to inflation-related price effects at approximately the same level.

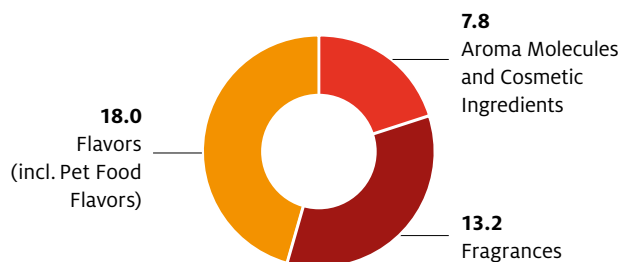
More than 500 companies worldwide are active in the market relevant for Symrise. The four largest providers, which include Symrise, together have a market share of 64 %.

The F & F market is characterized worldwide by high barriers to entry. 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 2022

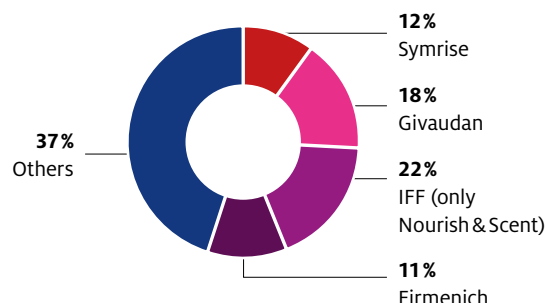
in € billion (approx. € 39 billion overall)



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 2022

in % (market size approx. € 39 billion)



Source: Corporate data and internal estimates

### THE MARKET POSITION OF SYMRISE

Symrise is one of the largest companies in the AFF industry. In relation to the relevant market of € 39 billion, the Symrise market share for 2022 is roughly 12 % in terms of sales. Symrise has expanded the traditional segments to include even more applications such as with cosmetic ingredients in Scent & Care and pet foods 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 compo-

sitions. 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.

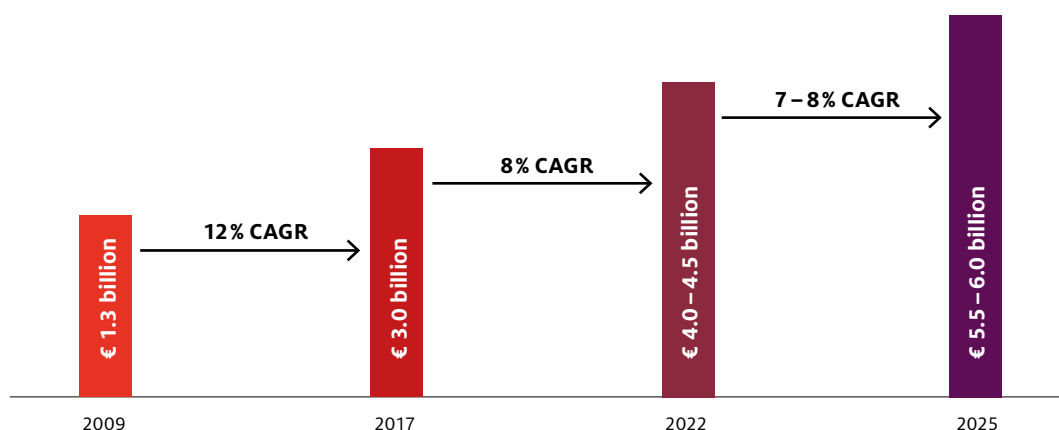
### GOALS AND STRATEGY

#### TARGETS

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 2025

Sales in € billion



- **Market position:** With long-term organic growth of 5 % to 7 % per year (CAGR)<sup>1</sup>, 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. The company is aiming for average organic sales growth of between 5 % and 7 % per year (CAGR)<sup>1</sup> 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. Non-financial performance indicators in the areas of environment, procurement, employees and innovation are reported separately in the Corporate Report. Further information on the non-financial benchmarks can be found in the separate non-financial report pursuant to Section 289b of the German Commercial Code (HGB), which is published on the website of Symrise AG. It can be found at <https://symrise.com/corporatereport/2022/en/sustainability-responsibility/sustainability-record.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

<sup>1</sup> CAGR: Compound Annual Growth Rate

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, such as protective rights. Furthermore, all R&D activities are geared to the guidelines of 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 will be 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 TN&H and S&C. 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 2022, the area of fair use of biodiversity was further developed according to the provisions of the Nagoya Protocol. 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 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 re-

search 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 pre-clinical 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. 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.

## 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
SweetTea (University of Bonn, Osnabrück University of Applied Sciences, Erfurt University of Applied Sciences)	Cultivation and breeding of plant raw materials for the field of sweet modulating taste and flavor solutions, supported by the BMEL
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	Identification and correction of off-flavors (AiF)
Protein soft drinks	Presentation of tasty protein soft drinks (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)
King's College, London, UK	Research into the regulation of glucose metabolism in humans by the apple extract polyphenol (Applin™) in collaboration with the Institute of Diabetes & Nutritional Sciences at King's College
Leibniz Institute for Catalysis (LIKAT), Rostock	Development of a bio-based variant of pentylene glycol (Hydrolite® 5) based on byproducts generated during sugar production from sugar cane
Charles Violette Institute, University of Lille, France	Investigation of the potential of fish hydrolysates for regulating the energetic balance of physiological body functions (homeostasis)
Booster working group (LEMAR, Institut Européen de la Mer, Nutrineuro, INRA, Abyss ingrédients and Chancerelle)	Development of bioactive substances from fish co-products for the healthy aging of humans and pets
ONIRIS Flaveur	Development of innovative analysis methods for volatile components to improve the acceptance of dog food
Institute for Food and Agricultural Research and Technology (IRTA), Barcelona, Spain	Research into the effect of dietary protein hydrolysates on the energy, fat and protein metabolism of European sea bass
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, the research and technology strategy is 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 2022, 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 with vegetable protein – is noteworthy in this context. 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 has been completed this year 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 Naturals 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 strategic research fields of efficiency, sustainability & naturals and health & emotion. Green chemistry is also an important factor when it comes to perfumery. Products are produced based on natural renewable raw materials. For example, with the Garden Lab, a disruptive approach was taken using the SymTrap® process to make vegetable scents accessible for perfumery as well. The SymTrap® platform was also expanded with additional products in 2022. In the field of extraction from natural raw materials, new qualities were developed and included in the perfumery range. Supported by R & D, the range of natural raw materials will be expanded further with the launch of La Maison Lautier. New and sustainable captives have also been developed. Among them is Pearadise®, which is produced on the basis of biotechnologically derived raw materials and using green chemistry. With Flowerpool®, a captive was developed that smells of white blossoms and purity. Diviniris is an iris-scented captive with velvety notes. 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. The addition of substance mixtures, especially for fine fragrances, makes it considerably more difficult for our competitors to analyze and replicate our perfume oils. The new Cryptosym® technology was very well received by some customers.

By combining the expertise of Symrise in fragrance development with that of Pet Food, the product category was further developed specifically for dogs and cats.

The marketing of Symcap BG® biodegradable capsules has generated a great deal of interest in fabric softeners from some customers. Research for capsules for fragrance oils is now heading to vegan capsules with improved efficacy for other areas of application as well.

In Oral Care, a new product was developed that combines biotechnological processes with knowledge of probiotic active ingredients. The research for new cooling agents for mouthwash, toothpaste and products for oral health was ramped up.

A total of five research platforms exist in the areas of cosmetic ingredients, encapsulation and release systems for perfumery, green chemistry for sustainable products, bad odor management and oral care. Supporting platforms in the areas of sensory and analytical research, raw materials and byproducts from sustainable sources, performance, and receptor research form the basis for the capabilities at Symrise and for a constant innovation process. Newly developed technologies support the understanding of perfume oils in terms of long-lasting fragrance experiences and blooming effects. 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. Furthermore, the portfolio of biotic ingredients was expanded to include the product SymFerment™. This is a postbiotic skincare ingredient with hydration boosting properties. It is made from a process involving the use of a by-product derived from the probiotic production of special lactobacilli that are rich in micronutrients.

**PATENTS AND AWARDS**

The number of patents filed (71 new applications in 2022) is used to measure innovation results and quality and to evaluate global coverage and competitive impact.

In 2022, as in previous years, Symrise research was recognized with awards for its high level of innovation. For example, Symrise received a European BSB Innovation Award for SymFerment™ as an innovative cosmetic raw material in the raw materials category (moisturization and barrier). This is a postbiotic, which is obtained from the byproduct of the probiotic production process and has been shown to improve skin hydration. The product was introduced to the market in 2022. SymHair® Thermo was also launched in 2022: This product combining carbohydrates of different chain lengths provides excellent protection for the hair against heat damage. In addition to the good activity data, the BSB Innovation Award

**Core functions of research and development at Symrise**





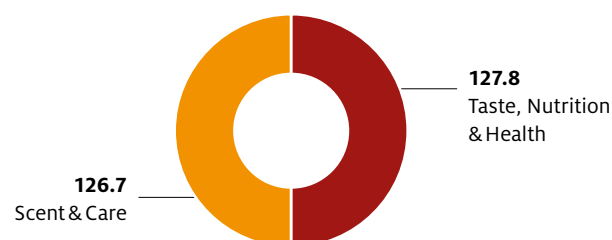
jury was also impressed by the composition of the product made with ingredients of natural origin and presented it with an award in the natural raw materials category within the Hair Care Actives segment. The product Hydrolite® 7 green launched in 2021 once again received an award for its innovative and sustainable technology: The BSB Innovation Award in the functionals section of the raw materials category. Hydrolite® 7 green is a multifunctional cosmetic raw material produced based on the principles of green chemistry. It is applicable in a wide range of products and characterized in particular by its properties of enhancing antioxidants and solubilizers as well as proving product protection.

#### RESEARCH AND DEVELOPMENT EXPENSES

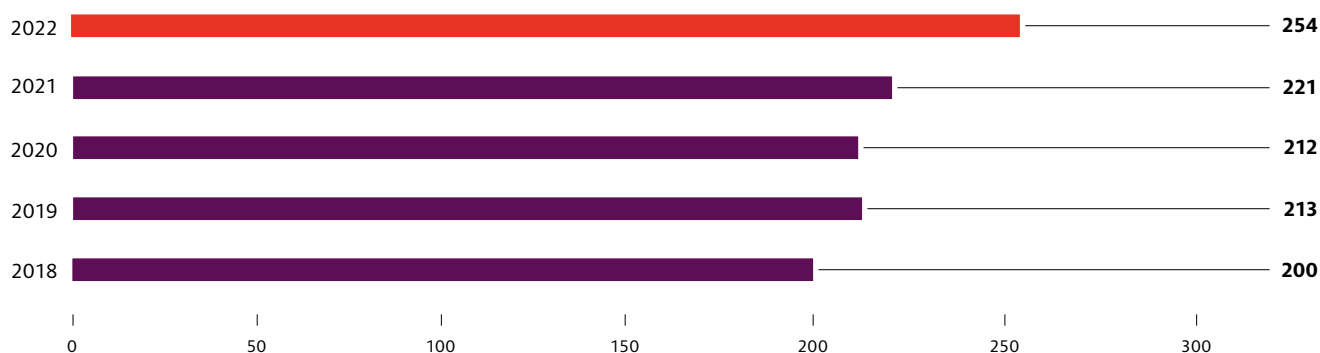
Total R&D expenditures amounted to € 254 million in the 2022 fiscal year (2021: € 221 million), comprising 5.5 % of sales (2021: 5.8 %). Compared to the previous year, R&D expenditure in the reporting year was 15.3 % above the level of the previous year and thus developed disproportionately to the originally planned sales. The positive sales trend has diluted the share of sales accordingly, however. Symrise aims to return the share of R&D expenditures of sales to the level of previous years in the future in order to further strengthen its innovative power.

The capitalization rate for research and development activities remained immaterial in 2022 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 with effect on profit or loss.

**R&D Expenses 2022 according to segment, in € million**



**R&D expenses 2018–2022 in € million**



**EMPLOYEES**

**STRUCTURE OF THE WORKFORCE**

As of December 31, 2022, the Symrise Group employed 12,043 people worldwide (not including trainees and apprentices). In comparison to December 31, 2021 (11,151 employees), this represents an additional 892 employees. At 209, the number of apprentices and trainees was well above the previous year's figure of 125.

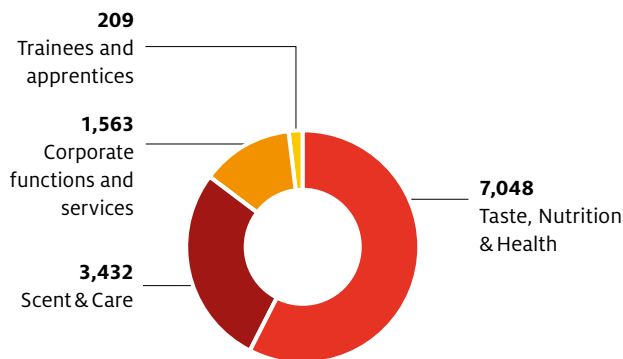
**PERSONNEL STRATEGY**

A sustainable HR strategy is part of our corporate strategy – it conveys goals and establishes common values. It includes the promotion of diversity in the workplace, supporting young families and enhancing the compatibility of professional and private life. The human resources department and its human capital strategy are responsible for developing and implementing our strategic HR policy objectives. We are currently developing further concepts to promote diversity in an even more targeted manner.

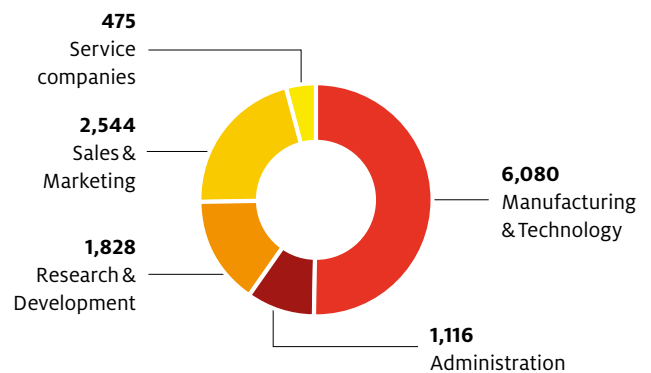
The demographic development trend in many countries toward an aging society, and a diversification of the population and thus the working workforce by people from other cultures and educational systems, are changing our living and working environments in many ways. People from over 60 nations work in the Symrise organization alone. For us as a global company, diversity is an added value of creative and innovative cooperation in diverse teams. Equal opportunities are more important than ever, and promoting diversity is central to the success of the company. Furthermore, promoting diversity is also essential so that employee recruitment is ensured now and in the future.

We put our commitment to diversity into practice with specific measures. These include supporting young families by providing kindergarten spots, expanding our global working from home policy, training, posting and integrating specialists from abroad to Germany, and initiatives for “unconscious bias” training.

**Number of employees by segment**



**Number of employees by position**



### Group strategic development of senior executives and employees

Symrise has set up a global digital career development and succession planning process worldwide for the first two management levels as well as a wide range of focus groups, such as Flavorists and Key Account Managers. The aim of this cross-segment program is to sharpen and develop the job-related skills of the employees, to identify talent and prepare them to take on responsibility in key positions at Symrise. At the same time, the company uses talent development to ensure effective succession planning for business-crucial positions. Specifically, the process focuses on deriving company-wide training and development priorities, identifying talent and developing such talent through talent conferences with executives, along with succession planning for key business-crucial positions. This includes the:

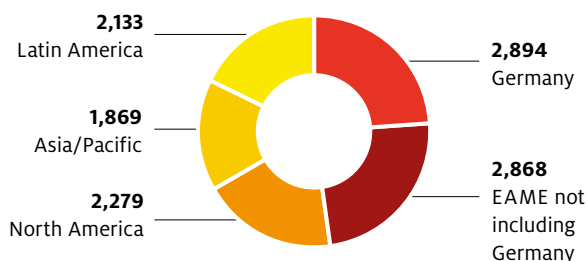
- Assessment of Group-wide competency development needs to achieve the strategic goals
- Identification of the top talents and their individual development measures
- Nomination of top talent for strategic development programs, such as the Leadership Accelerator Program
- Robust succession planning in business-critical positions.

In 2022, the focus was on continuing the discussions and development measures that had already begun. Succession planning discussions were held for the Board-1 and Board-2 levels. In addition, individual development plans continued to be available on the career platform.

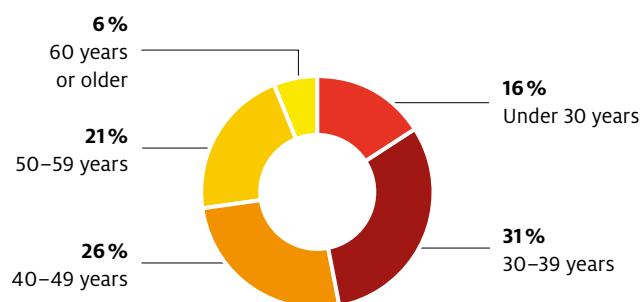
In the 2022 fiscal year, Symrise also expanded the topic area of “modern and digital learning” further. Employees were provided with a new, globally available “Learning Management System” (LMS) and a digital learning platform (“Skillsoft”). More than 2,600 learning hours have now been completed worldwide on the Skillsoft platform. The platform has been well received internationally. The focus was on topics such as leadership, creating a positive work culture and professional improvement.

After the end of the coronavirus pandemic, there was also increased demand for “face-to-face training” in 2022. In addition, greater use was made of internally developed e-learning courses.

**Number of employees by region**



**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 employing the most competent women and men at all management levels. To date, there are still fewer women than men in management positions. Symrise has set ambitious goals for itself to change the situation in the long term. Symrise has therefore put a special focus on fostering the careers of women as part of its personnel strategy.

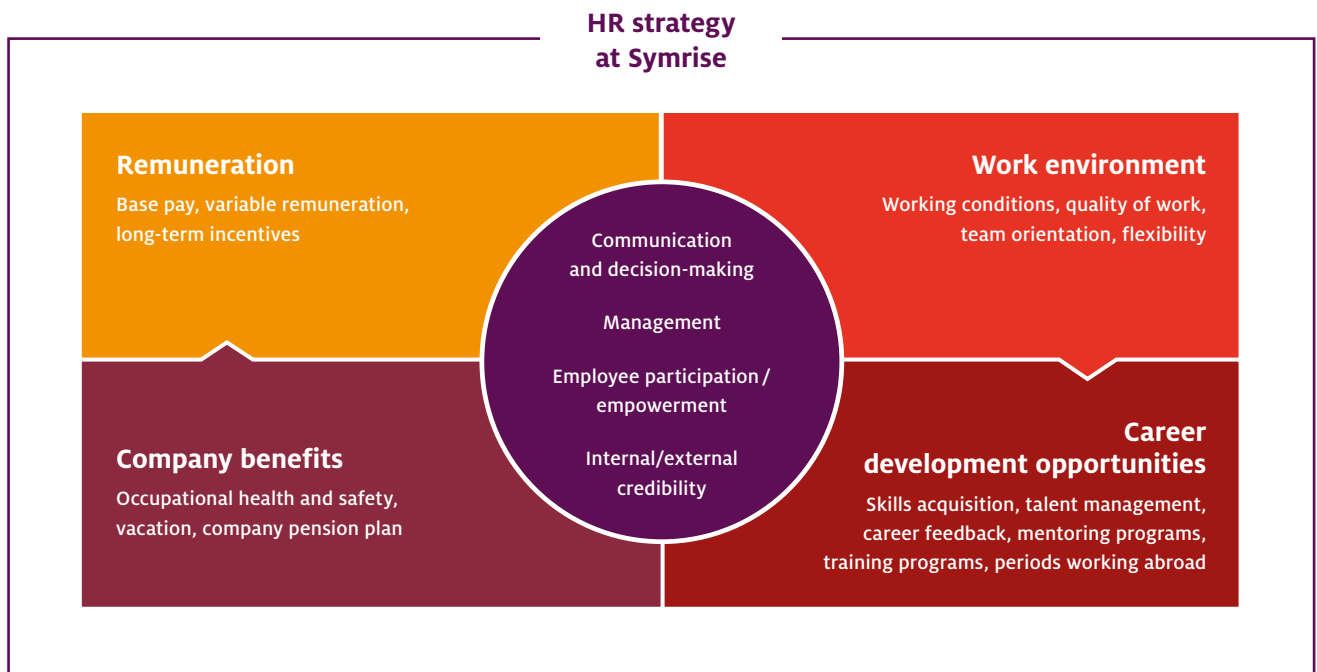
To better leverage the potential of women at Symrise, the company is pursuing a strategy to ensure that Symrise will be able to advance the careers of its female employees. In 2022, various successful development workshops for high-potential female staff were piloted in Germany and France with the aim of rolling them out worldwide. There are also plans to integrate these workshops as part of a Female Leadership Accelerator Program. This also included a mentoring program and the targeted recruitment of women with equal qualifications.

**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, schooling and vocational training and instruction were considered, along with the requirements level and professional position.

It was found that the average remuneration for women is not significantly different from the average remuneration for men. The unadjusted equal pay gap is 1.2%. The remaining insignificant differences result from production-specific components of remuneration such as hardship allowances or activity-related wages such as foremen's or master craftsmen's allowances, or are prescribed by the various remuneration levels specified by wage agreements for commercial or technical professions.

The non-profit FPI Fair Pay Innovation Lab recognized Symrise for its fair pay in the 2021 reporting year. This award is valid for two years and will be presented again next year if requested.



### 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. First, Symrise recruits qualified young individuals who it specifically trains with the company's needs in mind. With this commitment, Symrise is fulfilling an obligation that society as a whole has toward the next generation.

As of December 31, 2022, a total of 126 apprentices and trainees were employed at the sites in Germany.

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 has structured its training capacity in a way that allows around 45 young people to begin their training at the company every year. Of these, 25 are trained in chemical-technical professions, another 10 in technical and logistics professions and 12 in the area of business management/information technology. Beyond initial training, Symrise opens up prospects through cooperative studies in business administration (five employees per year/a total of 15 on the path to a Bachelor of Business Administration). Due to what has now become a noticeable shortage of skilled workers, Symrise has added further professional fields to its range of vocational training. In Braunschweig, the third year of training as a Specialist for Food Technology began in 2022. Distillers are regularly trained in Nördlingen, and the IT specialist training program has been offered in Holzminden since 2022. Symrise is thus working consistently to mitigate the demographic shift in the company. In addition, Symrise and its partner Kreisvolkshochschule Holzminden, the district adult education center, are also preparing a second year of its training program for chemical production specialists, starting in August 2023, in order to fill positions at the mixing plants.

Symrise generally offers highly sophisticated training programs in all its regions. In 2022, the focus was on e-learning, which was managed using a 12-month Learning Nugget calendar. In addition to general training programs, Symrise also trains its employees via international assignments.

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

Symrise generally remunerates its employees on the basis of collective wage agreements concluded with the respective labor unions. For non-tariff employees, there is a job grade concept that classifies non-tariff roles and positions in accordance with clear principles and objective criteria. Each initial classification or later reclassification is subject to review by the works council. Through this double-checking, the Group ensures that gender plays no role in determining remuneration.

In Germany, Symrise takes guidance from the pay increases in the chemical industry.

The regularly scheduled collective bargaining on our collective wage agreements 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 1.5 years.

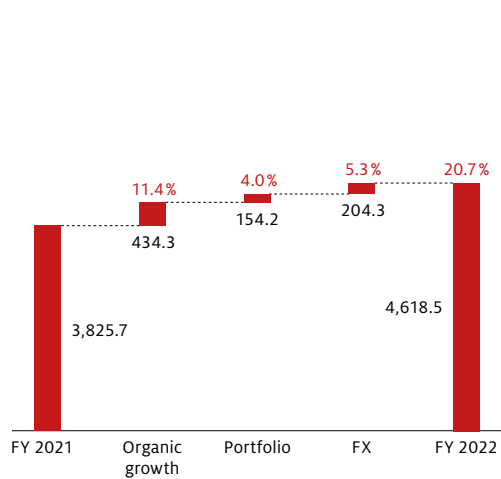
In May 2022, all full-time employees in Germany received a one-time payment of € 1,400. In December 2022, Symrise paid an inflation adjustment in the net amount of € 1,500 to all employees in Germany. Wage increases were also negotiated and will be implemented starting January 1 and July 1, 2023. A further inflation adjustment bonus of € 1,500 is planned for the end of 2023/early 2024.

Symrise will also continue to give its employees in Germany's collective bargaining sector 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 non-tariff employees, 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.

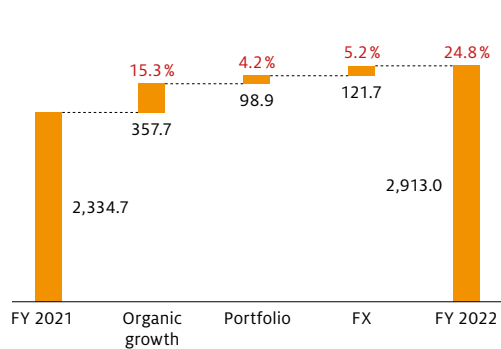
# Economic report

## GROUP sales in € million



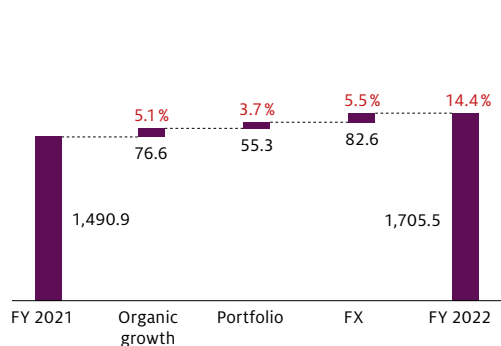
€ million	FY 2021	FY 2022 <sup>1</sup>	Change in %	
Gross profit	1,478.8	1,702.1	15.1	
EBITDA	813.6	921.5	13.3	
EBITDA margin	in %	21.3	20.0	
EBIT	559.0	630.1	12.7	
EBIT margin	in %	14.6	13.6	
Depreciation	140.5	164.6	17.2	
Amortization	114.1	126.8	11.1	
Financial result	-42.8	-72.9	70.4	
Earnings before income taxes	516.2	557.2	8.0	
Net income <sup>2</sup>	374.9	406.1	8.3	
Earnings per share <sup>3</sup>	in €	2.74	2.91	6.0
R&D expenses	220.7	254.5	15.3	
Investments	173.7	270.1	55.5	
Business Free Cash Flow in % of sales	12.7	6.5	-	

## TASTE, NUTRITION & HEALTH sales in € million



€ million	FY 2021	FY 2022 <sup>1</sup>	Change in %
EBITDA	531.1	630.5	18.7
EBITDA margin	in %	22.7	21.6
EBIT	357.9	430.2	20.2
EBIT margin	in %	15.3	14.8

## SCENT & CARE sales in € million



€ million	FY 2021	FY 2022	Change in %
EBITDA	282.6	291.0	3.0
EBITDA margin	in %	19.0	17.1
EBIT	201.1	199.9	-0.6
EBIT margin	in %	13.5	11.7

<sup>1</sup> Excluding impairment of the associated company Swedencare

<sup>2</sup> Attributable to shareholders of Symrise AG

<sup>3</sup> Undiluted

Number of shares from 21 September onwards 139,772,054; weighted average full year 2021 at 136,663,677

## COMPANY DEVELOPMENT AT A GLANCE

### IMPORTANT EVENTS

Despite the challenging political and economic environment, Symrise was able to stay the course with its strategy in the 2022 fiscal year. The consequences of the coronavirus pandemic and resulting disruptions in supply chains and shortages on the procurement markets as well as the war in Ukraine have only had a minor impact on the business development of Symrise so far. However, the persistently high level of inflation led to significant rises in costs at Symrise in some cases, which were largely offset by the consistent implementation of price increases.

At the beginning of the year, Symrise expanded the fragrance ingredient production facility in Granada, Spain, which was acquired in 2021. As a first step, Symrise made a targeted investment in multifunctional cosmetic ingredients, an event which particularly reflected the growth in the global market for 1,2-alkanediols. The 1,2-alkanediol product range from Symrise consists of a number of multifunctional ingredients that are becoming increasingly popular in personal care products. With the recently commissioned production line, the site now provides both cosmetic ingredients as well as a wide range of fragrances from renewable raw materials.

Symrise introduced SymHair® Thermo – a novel natural ingredient – at the in-cosmetics trade fair in Paris in April. It protects hair from heat and also shortens the time needed to use thermal appliances such as curling irons. The company thus developed a sustainable alternative to the synthetic silicones that had previously been used. SymHair® Thermo is suitable for use in shampoos, conditioners and care products that remain on the head and in the hair. The product also won first place from the BSB Innovation Award jury in the category “Natural Products & Raw Materials.”

In June, Cosmetic Ingredients entered into a strategic partnership with the German biotech company evoxx technologies. The partners want to develop biotechnological processes for ingredients that can be used in body care applications. As part of the partnership, evoxx will contribute its expertise in research and development as well as its leading role in the manufacture of enzymes and probiotics. Symrise will contribute its knowledge and skills in the development of innovative and sustainable cosmetic ingredients. The result: consumers will receive innovative care products that fulfill their desire for effective and responsible ingredients.

### Achievement of targets in 2022

Sales growth (at local currency)	Target at the beginning of the fiscal year	5 – 7 %	Figure achieved	11.4 % <sup>1</sup>
EBITDA margin		approx. 21%		20.0 % <sup>2</sup>
Net debt (including provisions for pensions and similar obligations as well as lease liabilities)/ EBITDA (excluding acquisitions)		Between 2.5 and 2.7		2.9 <sup>2</sup>
Business free cash flow		approx. 14 %		6.5 % <sup>2</sup>

<sup>1</sup> Organic growth <sup>2</sup> Excluding impairment of the associated company Swedencare

Symrise presented its enhanced AI system “Philyra” at the World Perfumery Congress in Miami at the end of June 2022. Philyra – the name stems from Greek mythology and represents “creation support” – enhances the creative work of perfumers with sustainable facets. Over the past few years, Symrise has collaborated with IBM Research on evolving its cognitive creativity based on artificial intelligence in perfumery. Philyra 2.0 makes it possible for perfumers to create innovative fragrance creations with environmentally friendly and renewable raw materials. The AI system reinforces the position of Symrise as a digital trailblazer in the industry.

In December, the Taste, Nutrition & Health segment established a four-year research consortium with the Dutch Wageningen University & Research Institute and other industry partners. The purpose of the partnership is to develop meat alternatives with improved sensory quality. The partners want to focus on investigating the factors which affect the taste of meat alternatives. More and more consumers are turning to plant-based versions of popular meat products. And while the market is growing exponentially, it still offers considerable potential when it comes to developing new products. The research will provide the food industry with findings on how to create tastier alternatives for meat products – an important step on the path to more sustainable nutrition with more plant-based products.

As part of its portfolio management, Symrise was also active in the market for acquisitions and disposals in the 2022 fiscal year.

#### 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 € 4,618 million in the 2022 fiscal year. Sales increased by 20.7 % in the reporting currency compared to the previous year. Excluding portfolio effects, organic sales growth amounted to 11.4 %. At a total of € 922 million, earnings before interest, taxes, depreciation and amortization (EBITDA<sup>1</sup>) were significantly higher than the previous year’s figure of € 814 million. This corresponds to a margin of 20.0 % (2021: 21.3 %).

Consolidated net income attributable to shareholders of Symrise AG amounts to € 280 million, which is € 95 million below the figure of the previous year due to the non-cash impairment of the associated company Swedencare. Without

the impairment for Swedencare, net income attributable to shareholders of Symrise AG would have been € 406 million. The earnings per share amounted to € 2.00. Without the Swedencare effect, earnings per share would have been € 2.91 (2021: € 2.74).

In light of the overall good business performance, Symrise AG’s Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 1.02 in the previous year to € 1.05 per share for the 2022 fiscal year at the Annual General Meeting on May 10, 2023.

#### A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

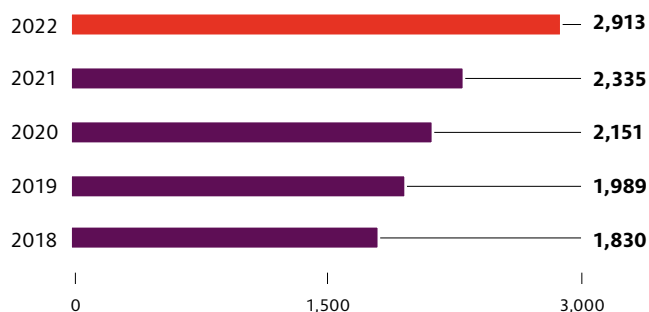
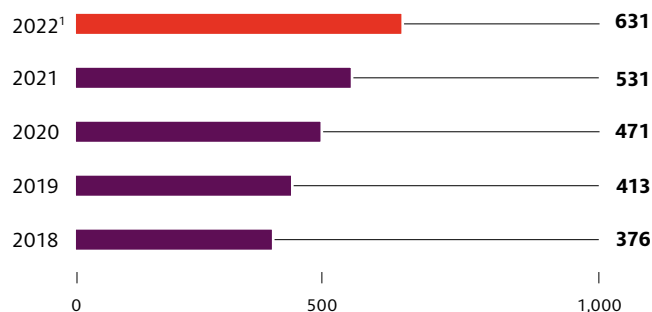
At the beginning of the 2022 fiscal year, Symrise had set the goal of achieving organic sales growth of 5 % to 7 % and thus noticeably above market growth (approx. 3 % to 4 %). Due to the good business performance, sales expectations for the full year were initially raised to well above 7 % and up to 10 % over time. Based on its own estimates, growth in the relevant market for Symrise was around 8 % in 2022, which was mainly attributable to inflation-related price effects.

For 2022, Symrise had expected an EBITDA margin of around 21 % despite rising raw material prices. Debt, as measured in terms of the key figure 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 14 % at the beginning of the 2022 fiscal year. Over the course of the fiscal year, the 2022 target for business free cash flow was adjusted to 8 % to 10 %.

With organic sales growth of 11.4 % (excluding portfolio effects and currency translation effects), Symrise significantly surpassed its sales goals in 2022. Furthermore, the company was also able to exceed the ambitious corporate goal from 2019 (€ 4.0–4.5 billion in sales in 2022). The EBITDA margin<sup>1</sup> of 20.0 % is slightly below the expected value for 2022. The net debt to EBITDA<sup>1</sup> ratio of 2.9 times is higher than the level expected for 2022 due to the acquisitions made and build-up of working capital to ensure supply availability. The business free cash flow as of the reporting date was 6.5 %. Symrise was not able to reach its target due to the strong sales growth in the reporting period and the expansion of safety stocks to ensure supply availability.

<sup>1</sup> Excluding impairment of the associated company Swedencare



**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 saw a further normalization of consumer behavior in 2022 due to progress in the fight against the coronavirus pandemic. Furthermore, the implemented price increases had a positive effect on the segment's sales development. Taking into account portfolio and exchange rate effects, sales in the reporting currency were € 2,913 million. Compared to the previous year, this corresponds to an increase of 24.8%. The positive net effect of the acquisitions of Giraffe Foods Inc. (Mississauga/Canada), Schaffelaarbos B.V. (Barneveld/Netherlands) and Wing Biotechnology Co., Ltd. (Shanghai/China) as well as the sales-reducing disposal of the Velcorin® and colors businesses totaled around € 99 million. Excluding currency and portfolio effects, the segment achieved organic growth of 15.3%.

The Food & Beverage division achieved high single to low double-digit percentage sales growth in all regions. In particular, the continued strong demand for beverages and savory products ensured high growth rates in the relevant business units across all regions. The confectionery business recorded slight sales growth, and the Naturals business unit also contributed to the increase in sales with single-digit growth.

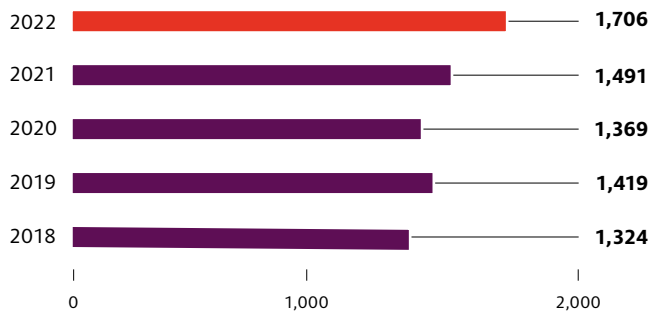
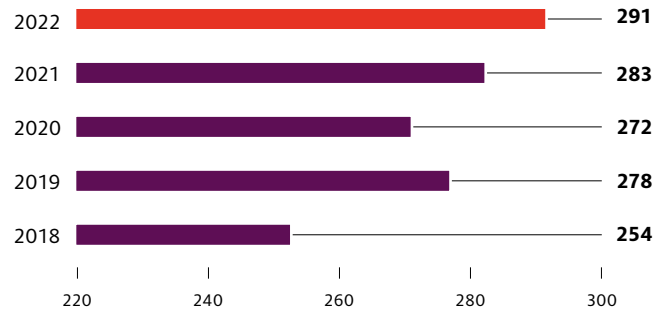
The Pet Food business continued its strong growth compared to the already excellent previous year. The development of the division benefited from an increasing pet population and the resulting high demand for pet food. The division achieved strong double-digit percentage organic sales growth in all regions.

Sales development in the Aqua Feed business unit was influenced by the continued low demand for aquafarming feed solutions. Sales remained slightly below the previous year.

The probiotics business, which includes the majority interest in the Swedish company Probi AB (Lund, Sweden), was unable to maintain the level of the strong previous year and recorded a slight decline in sales.

**EBITDA Taste, Nutrition & Health:** EBITDA<sup>1</sup> of the Taste, Nutrition & Health segment amounted to € 631 million in the reporting year, significantly higher than in the previous year (2021: € 531 million). The EBITDA margin<sup>1</sup> of 21.6% did not reach the level of the previous year (2021: 22.7%), which was mainly attributable to the higher prices for raw materials and energy.

<sup>1</sup> Excluding impairment of the associated company Swedencare

**Scent & Care segment sales** in € million**Scent & Care segment EBITDA** in € million**SCENT & CARE SEGMENT**

In the 2022 fiscal year, the **Scent & Care** segment generated sales of € 1,706 million. Compared to the previous year, this represents an increase of 14.4%. Excluding portfolio and currency translation effects, organic sales growth amounted to 5.1%. The portfolio effects from the acquisition of the Fragrance and Aroma Chemicals business of Sensient Technologies C.V. (Elburg, Netherlands) and the acquisitions of Neroli Invest DL (Groupe Nérol) and Essence Ciel with its subsidiary SFA Romani (Romani) – both are based in Saint-Cézaire-sur-Siagne, France – contributed a total of around € 55 million to the sales of the segment.

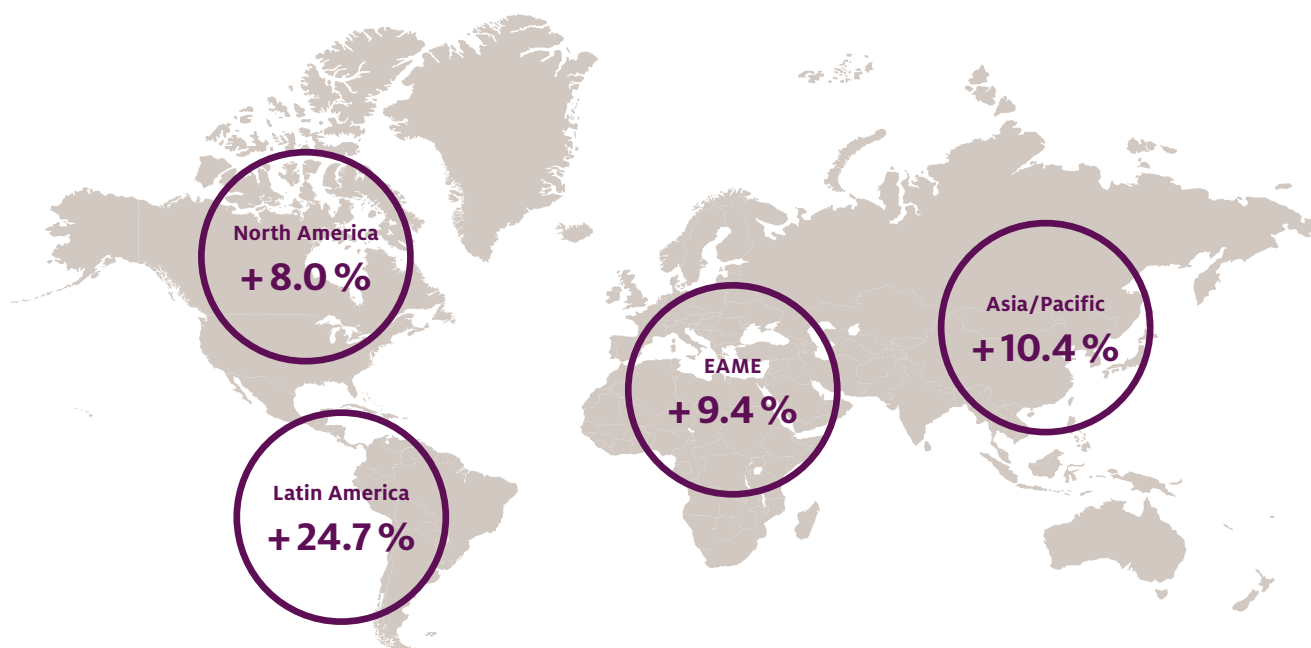
The Fragrance division recorded solid organic growth in the single-digit percentage range and benefited in particular from strong demand in the Fine Fragrances business unit. It delivered a very robust performance and once again achieved double-digit percentage organic growth following a strong previous year. The growth rates in the Latin America and EAME regions were particularly pronounced. Sales performance in the Consumer Fragrance and Oral Care business units was not satisfactory. This development was mainly driven by the reduction in inventories by customers, who returned to normal levels after strong previous years due to the pandemic.

Development of sales in the Aroma Molecules division was subdued in the past fiscal year. The Menthols business unit achieved single-digit organic growth. The North America region in particular reported significant growth. In contrast, demand for fragrances was weaker than expected and led to an organic decline in sales.

The Cosmetic Ingredients division continued its robust performance and benefited from the strong demand for high-quality cosmetic products. All business units and regions contributed to the business development. In particular, the strong demand for sun protection products and products with active cosmetic ingredients led to high organic growth in the double-digit percentage range.

**EBITDA Scent & Care:** Scent & Care generated an EBITDA that was 3.0% higher than in the previous year with € 291 million in 2022 (2021: € 283 million). The EBITDA margin amounted to 17.1%, due primarily to substantially higher prices for raw materials and energy (2021: 19.0%).

## Development in the regions (organic sales growth)



### DEVELOPMENT IN THE REGIONS

Business in the EAME region developed positively, increasing organically by 9.4 % compared to the previous year. In North America, organic sales growth was 8.0 %. The Asia/Pacific region achieved high organic sales growth of 10.4 % compared to the previous year. Sales development in Latin America was dynamic and recorded an organic increase of 24.7 % compared to the previous year.

### RESULTS OF OPERATIONS

#### DEVELOPMENT OF MATERIAL LINE ITEMS IN THE INCOME STATEMENT

Despite the dynamic sales development, earnings performance in the 2022 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. Higher costs for logistics and energy as well as increased costs due to general inflationary developments had

a negative effect on gross profit. The gross margin in the reporting year was 36.9 %, which is 1.8 percentage points below the previous year's level (2021: 38.7 %). The share of selling and marketing expenses in Group sales remained unchanged from the previous year at 14.7 %. The R & D rate relative to sales decreased compared to the previous year from 5.8 % to 5.5 %, primarily as a result of the strong sales growth. Administration expenses as a share of Group sales decreased from 5.8 % in the previous year to 5.6 % in the reporting year.

The increase in other operating income is attributable primarily to 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. Furthermore, one-time costs in connection with the acquisition and disposal of companies or parts of companies in the amount of € 9.3 million were incurred in the 2022 fiscal year.

In the course of the second half of the 2022 fiscal year, the stock market price of associated company Swedencare AB, Malmö, Sweden, recorded a visible decline. A subsequent impairment test performed by Symrise resulted in an impairment loss of € 126 million, which was recognized as “impairment loss on investments accounted for using the equity method” within the operating result.<sup>1</sup> In the interest of comparability, the results of operations are presented below without this impairment.

Due to the strong sales growth, the company's EBITDA<sup>2</sup> came to € 922 million, significantly higher than in the previous year (2021: € 814 million). The EBITDA<sup>2</sup> margin of 20.0 % was below the previous year's figure of 21.3 %.

<sup>1</sup> Please refer to note 21 for details about the impairment of Swedencare

<sup>2</sup> 2022 excluding impairment of the associated company Swedencare

# Outlook

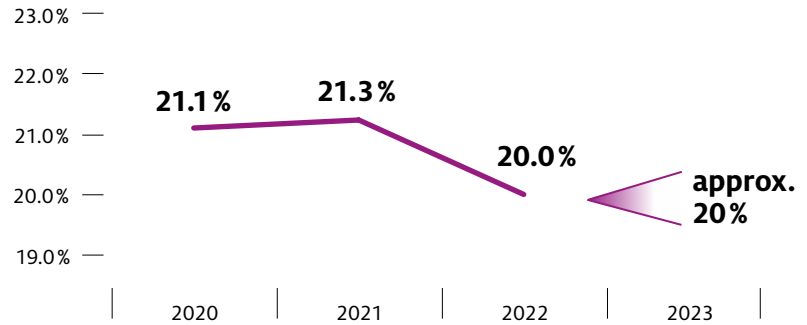
## FRAMEWORK

Global economic growth  
**2.9%**

Market growth  
**3 – 4%**

Commodity prices  
moderate increase

## EBITDA MARGIN



1 Normalized for transaction and integration costs related to business combinations and restated due to finalization of purchase price allocation for ADF/IDF

## ORGANIC SALES GROWTH

in € million



## EXPECTATIONS

Business free cash flow  
in relation to sales  
**~ 12%** in 2023  
14% in the medium term

Net debt /  
(including pensions and similar obligations  
as well as lease liabilities)

EBITDA  
**2.5 – 2.7**

Investments  
in relation to sales  
**~ 6%**

## FUTURE CORPORATE DEVELOPMENT

For 2023, 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. The forecast long-term growth according to IAL Consultants 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 2023. The company aims to generate sales of € 5.5 to 6.0 billion by the end of 2025.

The Group will continue to increase prices for its customers in order to further increase its earnings and ensure its profitability. The disciplined cost management and focus on high-margin business will also be continued. This includes initiatives to reduce the complexity of processes and workflows and the development of innovative sustainable products and technologies. Assuming that prices for raw materials remain on a moderate upward trend, the Group expects an EBITDA margin at the lower end of the targeted corridor of around 20 % for 2023. 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 2.5 and 2.7 at the end of 2023. For the business free cash flow, the Group is aiming for a rate relative to sales of 12 % in 2023. 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 select 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 sensible 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	2021	2022
Sales	3,825,691	4,618,476
Cost of goods sold	- 2,346,860	- 2,916,399
<b>Gross profit</b>	<b>1,478,831</b>	<b>1,702,077</b>
Selling and marketing expenses	- 563,715	- 680,623
Research and development expenses	- 220,742	- 254,487
Administration expenses	- 220,995	- 257,915
Other operating income	85,796	113,947
Other operating expenses	- 4,936	- 5,754
Result of companies accounted for using the equity method	4,716	12,858
Impairment loss on investments accounted for using the equity method	0	- 126,126
<b>Income from operations/EBIT</b>	<b>558,955</b>	<b>503,977</b>
Financial income	3,681	8,727
Financial expenses	- 46,444	- 81,591
<b>Financial result</b>	<b>- 42,763</b>	<b>- 72,864</b>
<b>Earnings before income taxes</b>	<b>516,192</b>	<b>431,113</b>
Income taxes	- 131,160	- 140,417
<b>Consolidated net income</b>	<b>385,032</b>	<b>290,696</b>
of which attributable to shareholders of Symrise AG	374,924	280,007
of which attributable to non-controlling interests	10,108	10,689
<b>Earnings per share (€)</b>		
basic	2.74	2.00
diluted	2.70	2.00

## Consolidated Statement of Financial Position

€ thousand	December 31, 2021 adjusted*	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	453,808	314,857
Trade receivables	729,846	856,035
Inventories	989,768	1,327,559
Other assets and receivables	107,804	137,570
Income tax assets	46,357	47,820
Assets held for sale	4,434	0
	<b>2,332,017</b>	<b>2,683,841</b>
<b>Non-current assets</b>		
Intangible assets	2,507,671	2,900,001
Property, plant and equipment	1,323,525	1,565,887
Other assets and receivables	292,620	54,699
Investments in companies accounted for using the equity method	114,629	521,025
Deferred tax assets	102,725	57,510
	<b>4,341,170</b>	<b>5,099,122</b>
<b>TOTAL ASSETS</b>	<b>6,673,187</b>	<b>7,782,963</b>

\* Please refer to note 2.1 regarding the details of the adjustment.

**Note:** The notes can be found separately in the financial report.



## Consolidated Statement of Financial Position

€ thousand	December 31, 2021 adjusted*	December 31, 2022
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade payables	412,786	529,605
Borrowings	353,743	27,040
Lease liabilities	21,800	27,167
Other provisions	12,139	14,636
Other liabilities	261,522	274,813
Income tax liabilities	81,162	98,055
Liabilities directly associated with assets held for sale	2,218	0
	<b>1,145,370</b>	<b>971,316</b>
<b>Non-current liabilities</b>		
Borrowings	1,342,124	2,365,598
Lease liabilities	83,060	127,610
Other provisions	35,162	29,118
Provisions for pensions and similar obligations	617,183	459,446
Other liabilities	6,983	6,567
Deferred tax liabilities	190,801	212,877
	<b>2,275,313</b>	<b>3,201,216</b>
<b>TOTAL LIABILITIES</b>	<b>3,420,683</b>	<b>4,172,532</b>
<b>EQUITY</b>		
Share capital	139,772	139,772
Capital reserve	2,180,722	2,180,722
Reserve for remeasurements (pensions)	- 212,006	- 92,444
Cumulative translation differences	- 248,569	- 67,477
Retained earnings	1,286,247	1,388,368
Other reserves	41,982	2,431
<b>Symrise AG shareholders' equity</b>	<b>3,188,148</b>	<b>3,551,372</b>
Non-controlling interests	64,356	59,059
<b>TOTAL EQUITY</b>	<b>3,252,504</b>	<b>3,610,431</b>
<b>LIABILITIES AND EQUITY</b>	<b>6,673,187</b>	<b>7,782,963</b>

\* Please refer to note 2.1 regarding the details of the adjustment.

# Imprint

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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.

