

Welcome to your CDP Forests Questionnaire 2022

F0. Introduction

F0.1

(F0.1) Give a general description of and introduction to your organization.

Symrise is globally recognized as a leading provider of fragrances, flavors, active ingredients and aroma molecules as well as sensorial and nutritional solutions for the perfume, cosmetic, pharmaceutical, food, beverage, pet food and baby food industries.

Symrise manages a strong and diverse portfolio that consists of more than 10,000 raw materials of synthetic and natural origin, purchased from over 5,000 suppliers from all continents. These materials come from a variety of different sources. This includes raw materials from wild collections, agricultural cultivation, and forestry, including palm oil. With its diverse raw material palette Symrise can create approx. 30,000 different products for our clients in the above-mentioned markets. The diversity of our raw material and product portfolio offers a huge flexibility and various opportunities to meet changing consumer demands. At the same time, our portfolio is also exposed to and interlinked with the impacts of global change, including environmental impacts related to climate, water, soil or ecosystems and biodiversity. Our Vision is to be a leading sustainable life science company that supports pleasure, health and well-being while promoting socio-economic and ecological prosperity for mankind and nature along our value chains. With focus on the four key pillars of Symrise's sustainability approach - Footprint, Innovation, Sourcing and Care - we aim at being an environmental steward with an established, future-oriented, and holistic strategy for sourcing our forest related resources.

Being aware of the social and environmental responsibility coming along with the use of natural resources, Symrise stepped forward with ambitious sustainability goals. In regard of the emerging threat of deforestation by using forest-related resources, Symrise has set up a "zero deforestation strategy" together with a dedicated Forest Policy which addresses also the use of palm based raw materials in our company. Long-term rising demand of customers for palm oil-related products might contradict an overall deforestation policy, thus Symrise has a parallel activities in place to substitute conventionally refined Palm oil, Palm oil derivatives and Palm kernel oil derivatives by alternative oils or synthetic substitutes (for PKO derivatives) with a lower ecological or biodiversity footprint.

Symrise is an active member of the RSPO and interacts with its suppliers by raising their awareness of deforestation risks and the necessity to ensure supply from sustainable sources.

F0.2

(F0.2) State the start and end date of the year for which you are reporting data.

	Start Date	End Date
Reporting year	July 1, 2021	June 30, 2022

F0.3

(F0.3) Select the currency used for all financial information disclosed throughout your response.

EUR

F0.4

(F0.4) Select the forest risk commodity(ies) that you are, or are not, disclosing on (including any that are sources for your processed ingredients or manufactured goods); and for each select the stages of the supply chain that best represents your organization's area of operation.

	Commodity disclosure	Stage of the value chain	Explanation if not disclosing
Timber products	Not disclosing	Manufacturing	<p>Symrise again decided to exclude the commodity timber in its CDP disclosure, because we don't see that our sourcing has an impact on deforestation/forest degradation:</p> <ul style="list-style-type: none"> - Symrise does not use timber itself, but a by-product from the pulp & paper industry (so called "Crude Sulphate Turpentine - CST") that is otherwise treated as waste and thus does not induce any forest degradation; - The major share of CST originates from well-managed plantations in countries such as Canada and Northern America where there is no danger of cutting down forests. <p>Nevertheless Symrise stepped forward and achieved an FSC Chain of custody certification for > 95 % of its timber-based raw material. We decided to rather focus our reporting efforts on the commodity Palm oil, where we might have an indirect impact on deforestation/forest degradation.</p>
Palm oil	Disclosing	Manufacturing	
Cattle products	Not disclosing	Manufacturing	<p>Symrise uses little volumes of cattle by-products as flavor ingredients. We again decided not to report on cattle products because Symrise</p> <ul style="list-style-type: none"> - does not use cattle products as such, but only by-

			<p>products from the meat industry which would otherwise be treated as waste;</p> <ul style="list-style-type: none"> - needs only very small quantities (cattle by-products make up less than 0.01% of our annual spend). These come from trusted suppliers. <p>So we believe that our sourcing of cattle derivatives has no impact on deforestation/forest degradation.</p>
Soy	Not disclosing	Manufacturing	<p>Symrise uses soybean oils and soy sauces as flavor ingredients. We again decided not to report on soy products because</p> <ul style="list-style-type: none"> - soy products are not really material for our business. We could replace them by other condiments if necessary; - Our soy raw materials represent less than 0.5% of our global annual purchasing volume. <p>So we believe that our sourcing of soy products has only a very small impact (if any) on deforestation/forest degradation.</p>
Other - Rubber	This commodity is not produced, sourced or used by our organization		
Other - Cocoa	Not disclosing	Manufacturing	<p>Symrise decided not to report on cocoa products because</p> <ul style="list-style-type: none"> - we do not consider cocoa as material to our business: All products containing cocoa contribute less than 1% to our business revenue. - We purchase cocoa as flavor ingredient. As such cocoa represents less than 0.5% of our global annual purchasing volume, so that our sourcing quantities are very low on the market and do not have the potential of a large impact on deforestation/forest degradation. <p>Nevertheless, we are planning on conducting a full risk assessment regarding cocoa and will report on this commodity whenever we assess cocoa as reason for deforestation.</p>
Other - Coffee	Not disclosing	Manufacturing	<p>Symrise decided not to report on coffee products because</p> <ul style="list-style-type: none"> - we do not consider coffee as material to our business: All products containing coffee contribute to less than 1% to our business revenue. - Symrise purchases coffee as flavor ingredient. As such, coffee represents less than 0.5% of our global annual purchasing volume, so that our

			<p>sourcing quantities are very low on the market and do not have the potential of a large impact on deforestation/forest degradation.</p> <p>Nevertheless, we are planning on conducting a full risk assessment regarding coffee and will report on this commodity whenever we assess coffee as reason for deforestation.</p>
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F0.5

(F0.5) Are there any parts of your direct operations or supply chain that are not included in your disclosure?

Yes

F0.5a

(F0.5a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.

Value chain stage	Exclusion	Description of exclusion	Potential for forests-related risk	Please explain
Supply chain	Country/geographical area	<p>We would like to exclude approx.5% of our global purchase volume from our disclosure. The excluded materials fully consist of materials which may use PKO as starting material and could therefore be classified as PKO-derivatives, but this is very unsure. The reason is that these materials are highly processed and have undergone many chemical transformation steps. Therefore, there is a significant likelihood, that the starting material for these materials could also come from petrochemistry. In our Enterprise Information System, these materials are therefore neither classified as renewable, nor as synthetic. The traders from whom these materials originate also</p>	<p>Potential for forests-related risk, evaluated, but not disclosing to CDP</p>	<p>The fact, that the excluded materials can neither be clearly identified as petrobased synthetics, nor as natural materials (which would imply these come from the oil palm and have to be classified as PKO-derivatives) makes it impossible for Symrise to report towards our CDP interested stakeholders in desired accuracy and granularity on these materials. As the materials in question only would be accountable for max. 5% of our purchasing volume and because the natural vs. synthetic bias exists, we would like to focus our efforts on those parts of our raw materials portfolio for which the required data and information are available. Otherwise, the reporting procedure would be highly</p>

	process materials which clearly relate to the oil palm. Therefore, these companies were able to provide us with a list of >3000 mills from which their PO/PKO inputs originate. Symrise was told that these mills could be considered as the total set of facilities to which the excluded materials could hypothetically relate. But this was only communicated as a likelihood and not as a fact.		impracticable, e.g. when it comes to discussing risks, opportunities, compliance with national legislation or corresponding raw material volumes to be allocated to multiple hypothetical countries of origin or subnational entities, which may, or may not, relate to the beforementioned >3000 entities containing mills list. To Symrise, this hypothetical exercise would not make much sense.
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F0.6

(F0.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.?)

Indicate whether you are able to provide a unique identifier for your organization	Provide your unique identifier
Yes, an ISIN code	DE000SYM9999

F1. Current state

F1.1

(F1.1) How does your organization produce, use or sell your disclosed commodity(ies)?

Palm oil

Activity

Using as input into product manufacturing

Form of commodity

Refined palm oil
 Palm oil derivatives
 Palm kernel oil derivatives

Source

Contracted suppliers (processors)
 Contracted suppliers (manufacturers)

Country/Area of origin

Indonesia
 Malaysia

Thailand

% of procurement spend

1-5%

Comment

Symrise uses the following Palm-based materials as components for flavors, fragrances, and other functional ingredients:

- Refined Palm Oil (PO)
- Palm Oil Derivatives
- Palm Kernel Oil (PKO) Derivatives

According to the provenance and traceability data provided by our suppliers, our palm oil supply originates from 3 countries only: Malaysia, Thailand, Indonesia.

F1.2

(F1.2) Indicate the percentage of your organization's revenue that was dependent on your disclosed forest risk commodity(ies) in the reporting year.

	% of revenue dependent on commodity	Comment
Palm oil	6-10%	The figure was calculated according to the sales value of all products which contain palm oil/derivatives with a concentration of >0.5%. In the reporting period, Symrise has purchased 3987,191 t of oil palm based materials globally. Compared to the previous reporting period (4,447t), the use of palm oil and palm kernel oil derivatives decreased by by approx. 10%. Therefore and compared to previous reporting period, the scale of revenue dependent on palm oil -based materials was lower.

F1.5

(F1.5) Does your organization collect production and/or consumption data for your disclosed commodity(ies)?

	Data availability/Disclosure
Palm oil	Consumption data available, disclosing

F1.5a

(F1.5a) Disclose your production and/or consumption figure, and the percentage of commodity volumes verified as deforestation- and/or conversion-free.

Forest risk commodity

Palm oil

Data type

Consumption data

Commodity production/ consumption volume

3,987.19

Metric for commodity production/ consumption volume

Metric tons

Data coverage

Full commodity production/consumption

Have any of your reported commodity volumes been verified as deforestation- and/or conversion-free?

No, but we are planning to verify volumes as deforestation- and/or conversion-free in the next two years

% of reported volume verified as deforestation- and/or conversion-free

Please explain

Symrise believes that the best way for companies operating in the palm oil supply chain to meet their zero deforestation targets is to advocate for the application of the RSPO Principles & Criteria and RSPO Supply Chain Certification, as these specifically address legal compliance and the prevention of illegal deforestation.

On the basis of our risk assessments and supplier compliance monitoring activities, we have "no evidence for deforestation" meaning that our documentation shows that none of our palm based inputs is associated with deforestation. However, this is not yet verified by third parties. What we want to achieve, as discussed in chapter 6, is to get documented evidence for the absence of deforestation ("evidence for no deforestation") through improved traceability, geospatial analysis of forest cover dynamics in the cultivation areas and third party verification. In the next chapters, we will explain why this is not yet the case and what we intend to do to achieve this new objective.

F1.5b

(F1.5b) For your disclosed commodity(ies), indicate the percentage of the production/consumption volume sourced by national and/or sub-national jurisdiction of origin.

Forest risk commodity

Palm oil

Country/Area of origin

Indonesia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Kalimantan Tengah, Kalimantan Barath, Kalimantan Timur, Sumatra Selatan,
Sumatra Benkulu, Sumatra Barat , Sumatra Utara , Java Barat , Javah Banten

% of total production/consumption volume

57

Please explain

Since many years, we have been gathering traceability data from our suppliers in increasing granularity. In a first step, we have investigated countries of cultivation of our biobased materials and updated our enterprise IT accordingly. In a next step, we have analyzed raw material origins at sub-national levels. As a third step, we have started to gather GPS data of supplier locations and cultivation areas for our strategic natural raw materials with the objective to allocate raw material volumes to specific sourcing areas (via Geomapping) or – in a more standardized way – to subnational jurisdictions in the provider countries. As our portfolio is very diverse, data acquisition and maintenance remains a continuous improvement process.

How we measure % of total consumption to raw material origin:

With regards to palm oil and derivatives, we have been requesting from our suppliers the locations of the mills, from which their & our palm oil supply originates. Meanwhile, we have information about the exact locations of the mills, to which the raw material supply of Symrise and our suppliers is connected. With the help of our suppliers, we were able to allocate our PO/PKO supply per raw material group and corresponding raw material volume not only to country level, but also to the subnational jurisdictions where the mills are located. On this basis, we can conclude that our 2021/22 demand originates only from 3 countries: Indonesia (57%), Malaysia (31%) and Thailand (12%). The subnational jurisdictions of raw material origin are shown on the left and are based on GPS locations of the corresponding mills.

Forest risk commodity

Palm oil

Country/Area of origin

Malaysia

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

- Johor, Selangor, Pahang, Sabah , Sarawak, Perak, Terengghanu

% of total production/consumption volume

31

Please explain

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gather GPS data of supplier locations and cultivation areas for our strategic natural raw materials with the objective to allocate raw material volumes to specific sourcing areas (via Geomapping) or – in a more standardized way – to subnational jurisdictions in the provider countries. As our portfolio is very diverse, data acquisition and maintenance remains a continuous improvement process.

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Forest risk commodity

Palm oil

Country/Area of origin

Thailand

State or equivalent jurisdiction

Specify state/equivalent jurisdiction

Krabi, Trang, Nakhon Si Thammarat

% of total production/consumption volume

12

Please explain

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F1.5e

(F1.5e) How does your organization produce or consume biofuel derived from palm oil?

Does your organization produce or consume biofuel derived from palm oil?

No

Data type

Volume produced/consumed

Metric

Country/Area of origin

State or equivalent jurisdiction

% of total production/consumption volume

Does the source of your organization's biofuel material come from smallholders?

Comment

Symrise does not use biofuels derived from palm oil.

F1.6

(F1.6) Has your organization experienced any detrimental forests-related impacts?

Yes

F1.6a

(F1.6a) Describe the forests-related detrimental impacts experienced by your organization, your response, and the total financial impact.

Forest risk commodity

Palm oil

Impact driver type

Reputational and markets

Primary impact driver

Availability of certified sustainable material

Primary impact

Brand damage

Description of impact

In our past CDP disclosure we discussed potential non-availability of RSPO certified PO- and PKO-derivatives due to limited supplier diversification for some materials as a potential risk to meet customers requirements and to protect our brand value.

In this reporting period, this risk materialized, however for other reasons than previously assessed: As a result of the systemic global supply chain disruptions and interruptions of the global sea freight system (e.g. closed ports in Shanghai due to Chinese zero Covid policy, etc.) in conjunction with the palm oil export ban issued by the government of Indonesia (where the majority of our palm oil supply still originates), the availability of significant amounts of RSPO certified materials suddenly decreased, putting our very good brand reputation towards - and sales value with - our sustainability oriented key customers at immediate risk.

Scale and calculation of financial risk:

Total sales value of products containing the affected PO/PKO derivatives was > 20 mio.€. Taking into account annual EBITDA-margins of affected business segments (22,7 for Taste&Health, 19% for Scent&Care), the resulting EBIT impact threshold of 500k€, as defined in F3.1.a, was significantly crossed. Thus, this event constituted a "significant financial (&strategic) risk" (valued at >4mio.€), requiring an immediate & targeted risk response to avoid risk materialization, as required by our global risk management procedures.

Primary response

Engagement with suppliers

Total financial impact

1,400,000

Description of response

First, we aligned with our customers on response options:

1. substitution of PO/PKO by synthetics,
2. interim use of non-certified materials,
3. later product delivery after resolution of supply/logistic issues.

As most affected customers agreed with option 2., we reactivated former suppliers without RSPO chain of custody certification under the condition, that:

1. they can provide documented evidence (tier-2 supplier RSPO certificates or supplier self declarations) that the non-certified materials they would sell to us come from certified tier-2 suppliers,
2. reactivated suppliers commit to strive for RSPO certification to close the chain of custody
3. raw materials are on stock at our suppliers and can be delivered in due time.

Implementation response finally was an effective (interim) solution to ensure compliance with our forest policy commitments, while avoiding brand damage and loss of business. Financial impact of response was about 1,4 mio.€ and mainly relates to increased costs for raw materials (+1,2mio.€) and logistics (+200k€) due to increased use of airfreight. With the normalization of global trade & supply, we expect to get soon back on track to meet our target for 100% sourcing of RSPO certified materials.

F1.7

(F1.7) Indicate whether you have assessed the deforestation or conversion footprint for your disclosed commodities over the past 5 years, or since a specified cutoff date, and provide details.

Forest risk commodity

Palm oil

Have you monitored or estimated your deforestation/conversion footprint?

No, but we plan to monitor or estimate our deforestation/conversion footprint in the next two years

Coverage

Reporting deforestation/conversion since a specified cutoff date or during the last five years?

Known or estimated deforestation/ conversion footprint (hectares)

Describe methods and data sources used to monitor or estimate deforestation/ conversion footprint

F2. Procedures

F2.1

(F2.1) Does your organization undertake a forests-related risk assessment?

Yes, forests-related risks are assessed

F2.1a

(F2.1a) Select the options that best describe your procedures for identifying and assessing forests-related risks.

Palm oil

Value chain stage

Direct operations
Supply chain

Coverage

Full

Risk assessment procedure

Assessed as part of an established enterprise risk management framework

Frequency of assessment

More than once a year

How far into the future are risks considered?

> 6 years

Tools and methods used

Internal company methods
External consultants
Global Forest Watch Pro

Issues considered

Availability of forest risk commodities
Quality of forests risk commodities
Impact of activity on the status of ecosystems and habitats
Regulation
Climate change
Tariffs or price increases
Loss of markets
Brand damage related to forests risk commodities
Social impacts

Stakeholders considered

Customers
Employees

Investors
 Local communities
 NGOs
 Regulators
 Suppliers

Please explain

In order to avoid 1) brand damage, 2) negative impacts on forest ecosystems, 3) non-compliance with our forest policy goals or upcoming EU-regulations regarding the use of forest risk commodities, we must assess individual risks and potential impacts.

Description of assessment tools/methods:

We have implemented a risk identification and assessment process, consisting of two steps.

1. Our internal Enterprise Information Management System (EIS) is fed with data of our suppliers that is collected by thematic questionnaires. This includes data on traceability, state and risks drivers of pristine or managed ecosystems, accessibility/scarcity of resources as well as harvesting methods and compliance with national law.

2. These internal company data are then matched with data obtained by public databases such as Global Forest Watch Pro, WWF reports and additional supplier assessment tools, such as Ecovadis or SEDEX/SMETA. Monitored and assessed issues include amongst others deforestation & degradation risks, material accessibility, physical risks, compliance status and social & ethical standards.

Effectiveness:

By matching internally generated data from our enterprise IT with publicly available risk data and the consideration of short-, medium- and long-term horizons, we can effectively assess the potential financial or strategic impact as well as the likelihood of occurrence of a potential risk. To guarantee a holistic analysis, this assessment process includes the whole value chain (supply chain&direct operations). Our risk analytics team meets at least 4 times/year to evaluate and assess any identified risks.

Example:

The sourcing of Palm Oil and derivatives is linked to the potential risk of deforestation and legal non-compliance of (sub)-suppliers. In 2021, we reviewed the sourcing situation of our palm oil supply using our Information Management System as well as WWF Reports and the GFW Monitoring tool. It was confirmed, that especially in Indonesia, the risk of deforestation is high with challenges to get documented evidence for the absence of deforestation due to the difficult traceability beyond the mills. We assessed the risk as "relevant" and decided to mitigate it by setting the target to improve traceability beyond the mills and by systematically assessing the deforestation footprint of the multiple mills we are connected with through our suppliers.

F2.2

(F2.2) For each of your disclosed commodity(ies), has your organization mapped its value chains?

	Value chain mapping
Palm oil	Yes, we have partially mapped the value chain

F2.2a

(F2.2a) Provide details of your organization's value chain mapping for its disclosed commodity(ies).

Forest risk commodity

Palm oil

Scope of value chain mapping

Tier 1 suppliers

Tier 2 suppliers

% of total suppliers covered within selected tier(s)

100

Description of mapping process and coverage

Since many years, we are engaging with our suppliers in order to trace back our raw materials to the countries and regions where these materials originate and in order to know where exactly these materials are processed before they are sold to Symrise. Our value chain mapping integrates our global trade activities into our Enterprise IT. We use external tools such as SEDEX and Ecovadis to map supplier sustainability performance in conjunction with a proprietary supplier web-interface to get a holistic overview of our supplier network and documentation of our global trade activities. Regarding natural raw materials, we identify not only the country of cultivation but go even further by requesting our suppliers to disclose subnational provenance data at regional and – where possible – local level with updated GPS data. This allows us to put raw material cultivation into its geo-ecological context which is important for risk analysis and sustainability performance assessments.

Regarding PO&PKO derivatives, we request our suppliers to provide us GPS-data about the mill locations where their palm oil supply is processed and to allocate our raw material purchases to these mills. In the reporting year, we are able to map all of our palm based materials to the traceability point of the mills, which are at least tier-2 (and beyond) from Symrise perspective.

Your own production and primary processing sites: attach a list of facility names and locations (optional)

Your suppliers' production and primary processing sites: attach a list of names and locations (optional)

F3. Risks and opportunities

F3.1

(F3.1) Have you identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on your business?

	Risk identified?
Palm oil	Yes

F3.1a

(F3.1a) How does your organization define substantive financial or strategic impact on your business?

Our Risk Management Procedure is integrated into our multi-disciplinary company-wide risk management process. It defines the risk self-assessment (RSA) process as part of the risk management system. The objective of this procedure is to identify and control essential risks to ensure the positive business development of the Symrise group and an effective risk reporting in compliance with laws and regulations.

Risk is defined as the potential negative deviation from financial objectives.

Risk Identification:

We use a two-step process to identify (sustainability related) risks and opportunities (R/Os). All R/Os, including forest related ones, are identified and assessed on a regional level using regional expertise.

They cover the whole range of forest related issues (physical, operational, reputational) and their financial impacts. For instance, Regulatory changes are permanently monitored by Regulatory Affairs.

R/O Owners are also nominated on asset level (process oriented and legal entity related). All R/Os with a considerable impact on net sales or costs and with a considerable likelihood of occurrence have to be reported to the group-wide Risk Manager.

This represents an asset level identification process leading to a group-wide R/O identification in a bottom-up approach.

Furthermore, on group level we apply a top-down approach by making use of a comprehensive list of potential forest related risks and opportunities derived from the CDP questionnaire and guidance.

Based on this, a team consisting of internal and external experts analyse the various aspects of our business model in order to identify potential forest related R/Os. In course of this, several of the already identified R&Os have been attributed to forests.

Definition of substantive financial impact:

The term „substantive financial or strategic impact“ means that a gross R/O has a higher EBIT impact than our defined threshold level of 500 T€.

EBIT impact defines the effects by an R/O that materializes. The effect of revenue related R/Os on EBIT are estimated against our last year's EBIT margin. Cost related effects on EBIT are typically calculated by multiplying specific effects (e.g. cost increase per ton of raw material) by the affected volume. In order to be conservative, potential price increases on our sales side which possibly balance out cost effects are neglected when the impact on EBIT is calculated. All inherent R/Os above a financial impact of 500 T€ or higher are to be reported.

Measures and indicators used to identify substantive change:

To identify substantive risks, we analyze the following indicators:

- the magnitude of the impact according to the company's EBIT,
- its likelihood of occurrence
- and the frequency by which we must expect it.

We define the likelihood of occurrence as:

- Low: 0 % to 24 %
- Medium: 25 % to 49 %
- High: 50 % to 74 %
- Very high: 75 % to 100 %

Response to substantive financial or strategic impact:

After forest related R/Os have been identified and assessed, they are prioritized according to impact, likelihood and potential influence on net sales. There are different ways to treat risks:

1. Avoid risk with a high likelihood and high impact by stop specific activities.
2. Reduce risk with a high likelihood, but low impact by mitigation measures.
3. Transfer risk with low likelihood, but high impact by insurance, outsourcing, etc.
4. Accept risk with low likelihood and low impact, if the cost to mitigate risk is higher than cost to bear the risk.

Decisions need to be made which way of treatment should be applied. Basically, we mitigate risks if the respective measures lead to a strengthening outcome for our core business, e.g. through raw material cost savings or diversification of sourced materials and suppliers. If mitigation measures are not possible for substantive risks but an insurance is available, we make use of this and transfer respective risks. If both options are not possible to realize we accept and control the risks. Our typical management method in regards to forest risks is to reduce their likelihood & potential impact e.g. by alternative supply, raw material substitution, certification and other means. Forest-related opportunities typically require investments suppliers, supply chains, R&D or M&A.

F3.1b

(F3.1b) For your disclosed forest risk commodity(ies), provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, and your response to those risks.

Forest risk commodity

Palm oil

Type of risk

Reputational and markets

Geographical scale

Global

Where in your value chain does the risk driver occur?

Supply chain

Primary risk driver

Availability of certified sustainable material

Primary potential impact

Brand damage

Company-specific description

Affect of impact on Symrise:

In our past CDP disclosure we discussed potential non-availability of certain RSPO certified PKO-derivatives due to limited supplier diversification as a potential risk, as Symrise observed an increasing customer demand for sustainable palm oil based ingredients only from certified sources. Not meeting these demands was considered a risk to company and brand reputation and to our sales targets.

As the number of suppliers who offer certified PKO derivatives was quite low, we saw the risk that in case of a supplier default, we either had to increase efforts to find other suppliers that can balance out our lacked resources or we experience loss of brand reputation & sales, when not meeting customer expectations. In the reporting period, this risk did materialize, however for other reasons than previously expected: As a result of the systemic global supply chain disruptions and interruptions of the global sea freight system (e.g. closed ports in Shanghai due to Chinese zero Covid policy) in conjunction with the palm oil export ban issued by the government of Indonesia (where the majority of our palmoil supply originates), the availability of significant amounts of RSPO certified materials significantly and suddenly decreased in the reporting period putting our very good brand reputation towards our sustainability oriented key customers (+ significant sales value) at risk.

Timeframe

Current - up to 1 year

Magnitude of potential impact

Medium-low

Likelihood

Virtually certain

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact (currency)

20,000,000

Potential financial impact figure - minimum (currency)

Potential financial impact figure - maximum (currency)

Explanation of financial

Approach to calculate figure:

Financial figure shows the “Total sales value of all products within our portfolio which (1) contain PO/PKODerivatives (above 0,5% concentration), and (2) are sold to customers with palm oil related sustainability expectations”

Explanation:

Palm Oil & Palm based derivatives are used in little concentrations in many Flavor & Fragrance formulations. Approx. 70% of our palm containing flavors and fragrances are sold to customers who specifically ask for certified palm oil within their flavorings or fragrances.

The financial risk figure was initially calculated on the basis of a “worst case scenario”, assuming that

- a. Symrise is not able to deliver any of these products with certified palm oil and
 - b. that all customers purchase these products from our competitors instead of Symrise.
- Materialisation of this worst case scenario would result in a cumulated loss of sales of approx. 20 mio. Euro and a significant damage to our company & brand reputation.

Primary response to risk

Supplier diversification

Description of response

Implemented response strategy:

Shortly after initial supply issues materialized in Q3 2021, we informed our customers and aligned on response options (1. substitution by synthetics, 2. interim use of non-certified materials, 3. delayed product delivery after resolution of supply/logistic issues). As most customers agreed with option 2., we reactivated between Q42021 & Q2 2022 those former PO/PKO suppliers without RSPO chain of custody certification under the condition, that they 1) can provide documented evidence (tier-2 supplier certificates and/or supplier self declarations) that the non-certified materials come from RSPO certified tier-2 or tier-3 suppliers, 2) committed to strive for RSPO company certification and close the chain of custody, 3) can deliver required materials in due time.

Effectiveness of response strategy:

The decision to purchase sustainable materials from a “broken” chain of custody was finally seen by Symrise as the best and most effective (interim) option to comply with our forest related policy commitments and sustainable sourcing targets on the one hand, while avoiding brand damage and sales disruptions on the other. With the normalization of global trade, we expect to fully meet again our 100% RSPO certification target in the course of 2022-2023 and to successfully protect corporate & brand value.

Cost of response

1,400,000

Explanation of cost of response

Method for estimating the figure

Our cost of response is the cumulated sum of

1. Increased costs of 1,2 mio € for securing raw material supply in times of limited availability which lead to significant price increases, compared to 2020
2. Increased costs for logistics (e.g. due to increased use of airfreight (=200k€)

The sum of all cost components result in the total cost of response:

$1,200,000\text{€} + 200,000 = 1,4 \text{ mio. €}$.

F3.2

(F3.2) Have you identified any forests-related opportunities with the potential to have a substantive financial or strategic impact on your business?

	Have you identified opportunities?
Palm oil	Yes

F3.2a

(F3.2a) For your selected forest risk commodity(ies), provide details of the identified opportunities with the potential to have a substantive financial or strategic impact on your business.

Forest risk commodity

Palm oil

Type of opportunity

Products & services

Where in your value chain does the opportunity occur?

Direct operation

Supply chain

Primary forests-related opportunity

Increased brand value

Company-specific description & strategy to realize opportunity

Explanation of company specific opportunity:

Symrise has anticipated opportunities to improve its market position against competitors and to strengthen our brand value by promoting highest-possible sustainability performance levels for palm-based raw materials and products beyond certification requirements.

Our internal market investigations show that our customers are increasingly interested in ethically sourced ingredients from nature, including palm-based materials. In addition to environmental aspects, social and cultural sustainability issues linked to smallholder farmers are becoming increasingly important.

Explanation of strategy to realize opportunity:

By systematically integrating the UNCTAD Biotrade Principles into our sourcing procedures and marketing activities, we have the chance to increase our brand value and market share with sustainability-focused key customers by creating even more sustainable palm oil containing ingredients with positive impact for smallholder farmers in the countries of origin on the one hand, and with sustainable transparency for our customers on the other. Symrise has entered into dialogue with the RSPO Smallholder Program to investigate various modes of corporate engagement with the following objective:

1. Support livelihoods of smallholders and improve cultivation practices in the Asian oil palm sector
2. Transmit the positive impact created by Symrise to our sustainability-focused key customers and their brands.

Example of strategy in action:

By selling not only RSPO-certified ingredients but also offering a premium social sustainability transparency connected to smallholder farmers, our sales team already managed to convince 3 key customers to increase intended purchases from Symrise within 2 different product categories in our Scent & Care division. Compared to the previous reporting period and depending on the exact impacts & outcomes of our smallholder engagement, corresponding sales turnover with these 3 customers is expected to increase by 0.5-1 million € within the next 2-3 years.

Implementation stage of strategy:

The strategy described above has been successfully initiated and we are currently increasing our efforts to promote this opportunity towards further global and local customers.

Estimated timeframe for realization

1-3 years

Magnitude of potential impact

Medium-low

Likelihood

More likely than not

Are you able to provide a potential financial impact figure?

Yes, an estimated range

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

500,000

Potential financial impact figure – maximum (currency)

1,000,000

Explanation of financial impact figure

Our financial impact figure is based on customer commitments to increase their purchasing volume of Symrise ingredients over the next 2 years, provided that Symrise ensures that the impacts of the smallholder engagement activities be transferred and allocated to their products and can be positively communicated either on product packages or as a sustainable story in corporate reports and websites.

F4. Governance

F4.1

(F4.1) Is there board-level oversight of forests-related issues within your organization?

Yes

F4.1a

(F4.1a) Identify the position(s) of the individual(s) (do not include any names) on the board with responsibility for forests-related issues.

Position of individual	Please explain
Chief Executive Officer (CEO)	<p>Final responsibility for forest-related issues is with the corporate board. The CEO holds the overall responsibility and decides on investments related to forest aspects and the management strategy for substantive risks.</p> <p>Example:</p> <p>In the reporting period, the CEO and the CSO decided that our forest policy needs an update to integrate new stakeholder requirements w.r.t forest related issues. It was also decided to strengthen our corporate risk assessments and management system to anticipate investor information demands and legal requirements regarding forests. Consequently, the corporate sustainability team was instructed to improve 1. corporate frameworks for Natural Capital Assessments & Accounting and to define management procedures to ensure compliance with German supply chain act as well as the future EU regulation on deforestation-free products.</p>
Chief Sustainability Officer (CSO)	<p>Responsibility related to forest issues:</p> <p>Under the chairmanship of the Chief Sustainability Officer (CSO) who directly reports to the CEO, representatives from management come together multiple times per year to ensure that sustainability-relevant topics and the concerns of our important stakeholder groups are both considered along the entire value chain and anticipated in a way that supports business and corporate sustainability performance. Within the last 5 years, forest issues have become more and more important to almost all stakeholders, as our materiality analysis clearly indicates. Forest relevant decisions taken by the CSO & the sustainability board in the reporting period range from RSPO certification through to compliance management with local and global forest & biodiversity regulations + implementation of strategies for smallholder engagement in critical supply chains.</p>

	In 2021, esp.the update oif our policy frameworks was another focus of (& lead by) the CSO.
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F4.1b

(F4.1b) Provide further details on the board's oversight of forests-related issues.

	Frequency that forests-related issues are a scheduled agenda item	Governance mechanisms into which forests-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	<ul style="list-style-type: none"> Monitoring implementation and performance Overseeing acquisitions and divestiture Overseeing major capital expenditures Providing employee incentives Reviewing and guiding annual budgets Reviewing and guiding business plans Reviewing and guiding corporate responsibility strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding strategy Reviewing innovation / R&D priorities Setting performance objectives 	<p>The Chief Executive Officer is informed on sustainability activities, performance and challenges, including forest-related issues, at least on a quarterly basis by the Chief Sustainability Officer, who leads the global environmental strategy and sustainability management system. Relevant governance mechanisms include forest-based raw material monitoring, the implementation and review of sourcing performance targets, forest related guidance with respect to annual budget plans, mergers, and acquisitions as well as forest related OPEX and CAPEX. Furthermore, forest related risk management and mitigation policies and strategies as well as corresponding forest-related performance objectives and goals are aligned between the CSO and the CEO. Sustainability issues including forest-related issues are always included when reviewing and guiding business plans, major plans of action and strategy. The CSO in turn receives regular updates on above-mentioned issues from the Corporate Sustainability Board & Team, which oversees and controls the global environmental risk assessment and management system. All the governance mechanisms described above contribute to the board's oversight of material forest related aspects by providing a substantive update on forest-related risks and opportunities, forest-based resource use and traceability practices at site level as well as with regards to existing and potential forest policies, regulations, and strategies for responsible forest stewardship.</p>

F4.1d

(F4.1d) Does your organization have at least one board member with competence on forests-related issues?

Row 1

Board member(s) have competence on forests-related issues

Yes

Criteria used to assess competence on forests-related issues

Taking into account the academic background & professional experience in natural sciences as well as regular information on and engagement in forest related sustainability discussions and strategic corporate decisions, we can conclude, that expertise on forest related issues including the palm oil sector is not only with the executive board (CEO), but also within the Symrise advisory board (1 member).

F4.2

(F4.2) Provide the highest management-level position(s) or committee(s) with responsibility for forests-related issues (do not include the names of individuals).

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Both assessing and managing forests-related risks and opportunities	More frequently than quarterly	<p>Position: The CSO leads the sustainability board, is anchored directly under the CEO and reports regularly to the corporate board.</p> <p>Forest-related responsibilities: Our forest and palm oil policies are monitored and revised by the sustainability board and the CSO, who also governs our corporate sustainability goals, including a responsible management of forest ecosystems in our sourcing areas. In collaboration with our corporate risk management, the board & CSO provide guidance for risk assessments and develop precise action plans to improve our (forest) sustainability performance.</p> <p>Rationale for responsibility: The CSO combines the required professional expertise with the knowledge</p>

			<p>on strategic sustainability issues along the entire value chain. Being also responsible for the global and cross-divisional sustainability board, sustainability principles can be integrated effectively in our management and decision-making processes.</p> <p>Nature of report: After each meeting of the Sustainability Board the CSO reports on the current state and decisions to the CEO, either in written form or in an oral update. Upon request, the CSO also reports on forest related issues (e.g. palm oil) to the advisory board.</p> <p>Rationale for the reporting frequency: Reporting is done at least 4 times a year in order to keep the CEO up to date on all developments and achievements, so that he is fully able to determine and approve on strategic decisions.</p>
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F4.3

(F4.3) Do you provide incentives to C-suite employees or board members for the management of forests-related issues?

	Provide incentives for management of forests-related issues	Comment
Row 1	Yes	Forest related sustainability issues are integrated in the remuneration system of selected board members.

F4.3a

(F4.3a) What incentives are provided to C-Suite employees or board members for the management of forests-related issues (do not include the names of individuals)?

	Role(s) entitled to incentive?	Performance indicator	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Achievement of commitments and targets	Details on indicators: Symrise committed itself to high sustainability targets and production standards. To support the achievement of these targets, an annual bonus is

	Chief Purchasing Officer (CPO)	Other, please specify CDP Forest Rating	<p>paid to relevant C-Suite Managers, depending on their engagement in promoting the environmental performance of our company. At least 10 % of the overall annual bonus for the Chief Sustainability and Purchasing Officers is related to the progressive approach or achievement of forest related targets in the context of our global goal to achieve 100% sustainable sourcing of strategic biological resources by end of 2025.</p> <p>Threshold of success: The thresholds for obtaining the annual bonus currently are:</p> <ul style="list-style-type: none"> - 100 % achievement of sustainable sourcing target improvement in the reporting period <p>Method for measurement & Linkage: The bonus is paid pro rata depending on the level of target achievement within the fiscal year:</p> <ul style="list-style-type: none"> - If 100% of the annual performance improvement required to achieve our global 2025 target is achieved, the annual bonus share is paid in full. If 95 % of the required performance is achieved, 80 % of the annual bonus share is paid. In case of 90%, only 50 % are paid.
Non-monetary reward	Chief Procurement Officer (CPO) Other C-suite Officer	Achievement of commitments and targets	<p>Besides the monetary reward, the success story of a colleague who either achieves a sustainability goal or brings it well on track, is honored in our employee magazine. Our Corporate Communication regularly highlights all sustainable impact success stories in our Intranet, leading to internal appreciation, increased personal reputation and assumingly to increased motivation.</p> <p>All engagement that leads to the implementation of key strategic targets is further presented in our annually corporate report, thus allowing public notice as well.</p>

F4.4

(F4.4) Did your organization include information about its response to forests-related risks in its most recent mainstream financial report?

No, but we plan to do so in the next two years

F4.5

(F4.5) Does your organization have a policy that includes forests-related issues?

Yes, we have a documented forests policy that is publicly available

F4.5a

(F4.5a) Select the options to describe the scope and content of your policy.

	Scope	Content	Please explain
Row 1	Company-wide	<p>Commitment to eliminate conversion of natural ecosystems</p> <p>Commitment to no land clearance by burning or clearcutting</p> <p>Commitment to eliminate deforestation</p> <p>Commitment to remediation, restoration and/or compensation of past harms</p> <p>Commitment to protect rights and livelihoods of local communities</p> <p>Commitments beyond regulatory compliance</p> <p>Description of business dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-</p>	<p>How policy is reviewed:</p> <p>The policy is reviewed annually during our standard management review procedures and has recently been updated (e.g. new criteria to be recognized). The previous palm oil policy was integrated into our forest policy in the reporting period. The policy is publicly available online (https://www.symrise.com/sustainability/reports-policies-standards-audits/) and valid globally for all sites and value chains.</p> <p>Why the content is included:</p> <p>Our portfolio depends on a variety of forest based raw materials which may negatively impact forest ecosystems in case of unsustainable cultivation practices. Therefore, we introduced a Forest Policy with commitments, which present our awareness of business dependency on forests and forest-related raw materials and the potential impacts we may have on natural ecosystems. We therefore decided to confirm targets that go beyond legal compliance.</p> <p>What is included and why:</p> <p>Symrise is committed to ensure zero deforestation within all supply chains as well as ethical sourcing of our natural raw materials. Symrise engages with clients, suppliers and key stakeholders to increase awareness on forest issues and ensure, that forest based raw materials comply with legal and ethical sustainability requirements.</p> <p>Our Forest policy requires the strict avoidance of deforestation & forest degradation along the whole value chain, including no conversion, no clear-cutting or any kind of over-exploitation of pristine forest ecosystems like Key Biodiversity Areas (KBA), High Conservation Value (HCV) areas, High Carbon Stock (HCS) forests and cultivation on peatlands.</p> <p>We also committed to the UN International Labor Principles and to respect the rights and traditional knowledge of local communities through ensuring FPIC for relevant business activities as part of our commitments on human rights and as part of our RSPO management system, into which the RSPO shared responsibility principles are integrated.</p> <p>Due to the high importance forests, no exclusions exist.</p> <p>How this policy informs decision making:</p> <p>Whenever business decisions are to be taken, the CSO & Sustainability Board check whether the decision in question impacts the pledges made in our Forest Policy. Since these</p>

	chain covered by the policy List of timebound milestones and targets	commitments are to be met as a principle, any decision which may contradict them will be stopped through a veto to be made by the CEO/CSO/Sustainability Board.
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F4.5b

(F4.5b) Do you have commodity specific sustainability policy(ies)? If yes, select the options that best describe their scope and content.

	Do you have a commodity specific sustainability policy?	Scope	Content	Please explain
Palm oil	Yes	Company-wide	Commitment to eliminate conversion of natural ecosystems Commitment to no land clearance by burning or clearcutting Commitment to eliminate deforestation Commitment to no deforestation, to no planting on peatlands and to no exploitation (NDPE) Commitment to remediation, restoration and/or compensation of past harms Commitment to protect rights and livelihoods of local communities Commitments beyond regulatory compliance Description of business	Reviews/updates: In the reporting period, we integrated our palm oil policy into our forest policy, where we clearly described our expectations regarding sustainable palm oil supply. The policy is publicly available and reviewed 1x/year in the course of our standard management review procedures and updated on demand (e.g. new criteria to be recognized). What is included: Symrise purchases Palm Oil and derivatives as ingredients for flavors and fragrances. A suitable way to trace our supply chain back to the origins of PO and derivatives is the RSPO Certification Scheme. Thus, Symrise introduced specific certification goals including PO/derivatives. We must in no way induce deforestation or the conversion of natural ecosystems. We ensure compliance with national legislation, respect local rights and promote biodiversity. There is a comprehensive conception of vulnerable ecosystems to avoid sourcing of unsustainably grown Palm Oil. Symrise further promotes and complies with the SDGs associating to forest commodities. Our commitment to promote the UN International Labor Principles along our value chains includes systematic supplier

		<p>dependency on forests</p> <p>Recognition of potential business impact on forests and other natural ecosystems</p> <p>Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy</p> <p>List of timebound commitments and targets</p> <p>Description of forests-related standards for procurement</p>	<p>assessments for labor and human rights according to SEDEX & SMETA criteria. The Policy applies company wide and does not make any exclusions.</p> <p>Why content is included: In recent years, the rising global demand for Palm Oil and derivatives has been considered to induce deforestation when primary forests were cut or burnt for the cultivation of oil palms. Acknowledging its responsibility in this context Symrise introduced an extensive Forest Policy with specific reference to palm oil. The commitments demonstrate our awareness of business dependency on forests and forest-related raw materials and the potential impact our business may have on natural ecosystems.</p> <p>Because of the relevance of the subject, we decided to confirm targets that even go beyond regulatory compliance.</p> <p>How policy informs internal decision making: The commitments encountered in our Policy have to be met as precondition of each decision-making process that relates to PO/PKO-Derivatives or the products and ingredients derived from. According to our Governance Structure, the highest authority to decide whether business decisions are in line with our Policy is the CEO & CSO together with the Sustainability Board.</p>
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F4.6

(F4.6) Has your organization made a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain?

Yes

F4.6a

(F4.6a) Has your organization endorsed any of the following initiatives as part of its public commitment to reduce or remove deforestation and/or forest degradation?

Other, please specify

Global partnership for business & biodiversity of the UN CBD; RSPO; FSC; One Planet Business for Biodiversity; Consumer Goods Forum, WBCSD Nature Action Project

F4.6b

(F4.6b) Provide details on your public commitment(s), including the description of specific criteria, coverage, and actions.

Forest risk commodity

Palm oil

Criteria

No conversion of natural ecosystems
Zero gross deforestation/ no deforestation
No new development on peat regardless of depth
Restoration and compensation to address past deforestation and conversion
No land clearance by burning or clearcutting
Secure Free, Prior and Informed Consent (FPIC) of indigenous people and local communities
Adoption of the UN International Labour Organization principles
No sourcing of illegally produced and/or traded forest risk commodities

Operational coverage

Direct operations and supply chain

% of total production/ consumption covered by commitment

100%

Cutoff date

2005

Commitment target date

2026-2030

Please explain

We further strengthened in 2021 our sustainability requirements by updating our sourcing policy & forest policy (into which our palm oil policy was integrated) & by creating a novel supplier code of conduct. These 3 policies are our main framework to enforce our forest related requirements in the supply chain, including:

No Conversion of Natural Ecosystems

Symrise further analyzed its suppliers with an updated Sustainability Questionnaire, to improve

1. traceability of raw materials,
2. documentation of sourcing methods & conservation status of ecosystems
- 3, insights on local biodiversity risks.

These data entered into our Risk-and-Opportunity Matrix, used to assess sustainability

status of natural materials and the habitats they grow in. Our Responsible Sourcing Steering Committee located at our HQ in Germany, reviewed & assessed our palm oil supply from Southeast Asia, with special focus on suppliers from Indonesia. In Indonesia, Southwestern Sulawesi (Kolaka district), Symrise together with a strategic supplier has also continued to implement a project focusing on the training of and capacity building for >500 smallholder farmers in soil regeneration techniques as a tool to maintain productivity and to avoid expansion of cultivation areas into forests.

Zero Gross Deforestation/No Net Deforestation

Symrise has engaged within var. multi-stakeholder initiatives on forests (OP2B, Nature Action, TNFD, WBA) to promote forest conservation across our business ecosystem. New Zero deforestation commitments, developed by Symrise in 2020/21, were aligned with the WBCSD scientific committee and other stakeholders to ensure robustness and reliability. 2030 targets on High Value Ecosystem conservation are currently being aligned internally and with external stakeholders. In southwestern Sulawesi (Kolaka district, Indonesia), we have provided further trainings on soil regeneration for >500 smallholder farmers as a tool to avoid expansion of cultivation areas into native forests.

Integration of the FPIC Principle

We have further analysed our suppliers from Indonesia, Malaysia & Thailand and assessed how they are affected by national law to implement the Nagoya Protocol, which requires FPIC for all natural resources coming from countries that ratified the Nagoya Protocol. Symrise made FPIC a mandatory due diligence criterion which was integrated into our internal procedures (e.g. for R&D and purchasing) and due diligence systems. With support from the Union for Ethical Biobased Trade, we became aware of legislative activities in Indonesia, requiring adherence to the FPIC principle and we requested all suppliers selling materials of Indonesian origin to report on their FPIC compliance.

As we consider FPIC a key element of fair and ethical business practices, we dedicated the FPIC a section in the human rights chapter of our new sourcing policy, which we requested our suppliers to comply with.

Restoration and compensation

In the reporting period, Symrise increased again its investments in various offsetting projects, including REDD+, in order to compensate for GHG emissions while promoting positive forest impact. The certificates we purchased include investments into a high conservation value forest in the northwest state of Para, Brazil, with high biodiversity richness which is home to e.g. 54 threatened plant species.

No forest conversion/clearance; no development on peat

With our newly established supplier code of conduct & sustainable sourcing & forest policies, we requested from our suppliers to adhere to social (UNGC) and further environmental standards & criteria (e.g. avoid sourcing from plantations developed on peat or associated with land clearance, deforestation, etc.). Policies were introduced to and had to be endorsed by our natural raw material suppliers located in (or sourcing from) regions of forest risk (e.g. Sulawesi, Kalimantan), who we requested to expand these commitments to their supplier networks.

F5. Business strategy

F5.1

(F5.1) Are forests-related issues integrated into any aspects of your long-term strategic business plan, and if so how?

	Are forests-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, forests-related issues are integrated	11-15	<p>Description how forests-related issues are integrated</p> <p>In recent years, global demand for natural raw materials lead to over-exploitation of ecosystems, endangered species and habitats. Symrise is highly dependent on natural raw materials for product the manufacturing of flavors and fragrances and has a high interest in long-term and sustainable ecosystem conservation. Meeting its responsibility, Symrise took efforts to include more forest-related issues in the business objectives. In 2019, Symrise became one of 19 founding members of the “One Planet Business for Biodiversity” (OP2B) initiative. This initiative aims at achieving the UN Convention on Biological Diversity (CBD) 2050 vision of “mankind living in harmony with nature”. In 2020, the members of the initiative were asked to formulate corporate goals which correspond to and support the UN CBD’s objectives and its strategic plan. These have been prepared and aligned with the scientific board in 2021. For Symrise this means to become “nature positive” by 2030 and to support the full regeneration of nature by 2050, as envisaged by the CBD & OP2B targets. In the coming years, Symrise will intensify investments to meet this important objective by 2030 and beyond.</p> <p>Example</p> <p>Aligning with the goals of the UN CBD and OP2B, Symrise implemented three new forest-related long-term business objectives. These goals support the already existing ones (e.g, Zero-Deforestation) and include considerations inside our company as well as along the whole value chain (e.g., development of policy asks & proposals). Aiming at achieving these goals results in a simultaneous reduction of all different kinds of forest-related risks. These newly introduced forest-related goals are:</p>

			<p>1. Scaling up regenerative agricultural practices to protect soil health</p> <p>2. Developing product portfolios to boost cultivated biodiversity</p> <p>3. Eliminating deforestation, enhancing the management, restoration and protection of high value natural ecosystems.</p> <p>Following these objectives will contribute to a protection and restoration of the world’s most biodiversity-rich and fragile ecosystems, including forests.</p> <p>In the reporting period, Symrise has been implementing several projects to promote the above objectives in various sourcing countries with a focus on our strategic natural resources.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	<p>Description how forest issues are integrated</p> <p>Zero-Deforestation, Preservation of Biodiversity and being “nature-positive” in the long-run can only be achieved, if the portfolio of raw-materials is analyzed and strategically reviewed on long term resilience & sustainability. Our business strategy needs to be adapted according to the availability of raw-materials and the long-term environmental impact these materials might have.</p> <p>Based on strategic reviews, we can adapt our processes by e.g. substituting ingredients, increase certification or even increase the use of resources that have a positive impact on people & nature.</p> <p>In the reporting period, a dedicated sustainability & risk team further reviewed our portfolio for long-term environmental impacts and risks. The time horizon for the portfolio assessment is from 2025 to 2030 as first milestone and up to 2050 in total.</p> <p>An in-depth review was conducted by analyzing different long-term scenarios (horizons 2030-2050) to assess the impact of climate change, changing water patterns, and deforestation on our natural and forest-based raw materials. The objective is to identify long-term operational risks and tipping points for raw material availability to deviate adaptation strategies on a 5-10 years timescale.</p> <p>Example</p> <p>In 2021, we have identified further natural materials where supply is expected to decrease within the next 10 years due to environmental pressures. On this basis, we</p>

			<p>identified a portfolio of synthetic substances, serving as a substitute for their risk-related natural counterparts. We decided to strengthen these synthetic substances within our portfolio despite a decreasing customer demand for synthetic materials. Hitherto, our business strategy did foresee a stronger development from synthetic to natural ingredients. In the reporting period, the strategy has been further reviewed and partially adapted as the synthetic ingredients will remain part of our production processes as long as we cannot guarantee the availability of the natural materials in the long run. In Q3 2021 and Q1 2022, we initiated internal strategic workshops with sustainability experts to further develop internal sustainability criteria and decision rules for raw material substitution. These discussions are still ongoing and we will report on findings and resulting action plans in the next reporting period.</p>
Financial planning	Yes, forests-related issues are integrated	11-15	<p>Description how forests-related issues are integrated</p> <p>Whenever environmentally sustainable, Symrise increases its efforts to transform from a mainly "chemical" towards a "bio-based" company. This process requires significant financial investment at all scales, including mergers and acquisitions to extend the sustainable natural raw material base within our portfolio. This may relate to significant investments of multiple million EUR with long-term ROI indicated.</p> <p>Further, we raise our financial expenses for forest specific initiatives, smallholder engagement, reforestation projects and activities to support our forest-based raw material suppliers. In the past there was no dedicated budget for forest issues, however, Symrise annually increased the investments in environmental welfare, including forest protection, e.g. by targeted investments in strategic naturals supply chains or acquisition of companies with premium sustainable natural raw material portfolios to strengthen our corporate strategy on portfolio diversification. Today, we are on the way to systematically integrate sustainability parameters into our financial planning and accounting, not only for climate and CO2 (e.g. internal CO2 price), but for all major environmental objectives of the European Union.</p> <p>Example:</p> <p>In the reporting period, Symrise again took over several companies with a diversified and sustainable natural raw</p>

			<p>materials portfolio. These include for example a renowned supplier for sustainable pet food ingredients from the Netherlands. In addition, 2 french companies in the perfumery sector were acquired and these acquisitions are expected to expand our capacity in naturals, increase sustainable production of backward integrated ingredients and create new and greater capabilities for sustainable fragrance creation for global sustainability oriented fine perfumery customers. These Mergers & Acquisition activities had to be analyzed and assessed regarding operational, financial as well as reputational risks (incl. potential connection to unsustainable raw material cultivation methods) and potential impacts on the Return Of Investments (ROI). For these multi-million Euro acquisitions, long-term timeframes up to 2040 were applied as financial planning horizon and sustainability related risks and opportunities were integrated into the M&A due diligence process.</p>
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F6. Implementation

F6.1

(F6.1) Did you have any timebound and quantifiable targets for increasing sustainable production and/or consumption of your disclosed commodity(ies) that were active during the reporting year?

Yes

F6.1a

(F6.1a) Provide details of your timebound and quantifiable target(s) for increasing sustainable production and/or consumption of the disclosed commodity(ies), and progress made.

Target reference number

Target 1

Forest risk commodity

Palm oil

Type of target

Traceability

Description of target

As a prerequisite to achieve our corporate goals on nature and forests (incl. no deforestation), Symrise needs to trace back its natural raw materials to the regions and areas, where these materials are cultivated in order to be able to directly monitor negative impacts on nature and forests in high granularity and with sufficient granularity & accuracy of geodata. This goal applies of course also to our global palm oil supply, which is currently only traceable to the mills. Thus, we have set the target to improve traceability of our palm oil supply beyond the mills and get closest to the areas and plantations, where our raw materials are grown and harvested. By 2025, we want to reach 75% of this target and reach 100% by 2030.

Linked commitment

Zero net/gross deforestation

Traceability point

State or equivalent

Third-party certification scheme**Start year**

2021

Target year

2030

Quantitative metric**Target (number)****Target (%)**

100

% of target achieved

0

Please explain

Why the target has been chosen:

Symrise declared an overall Zero-Deforestation goal to ensure that the company in all its operations and supply chain does in no case contribute to deforestation or the degradation of forest ecosystems. One intermediary milestone is the target to trace our natural raw materials back to the regions and areas where these are cultivated. This is the starting point to monitor local forest dynamics, risks and impacts with suitable geospatial tools on the basis of remote sensing data so that the absence of deforestation can be verified in local context.

How we are planning to meet this target:

The supply chains for palm oil (esp. PKO derivatives) are extremely long and complex.

Thus, we are applying a step-by-step approach to maximize desired raw material traceability. Thanks to past efforts on RSPO certification and improvement of traceability, we know today the locations of the mills, from which our palm oil supply originates. In future, it is our target to increase traceability beyond the mills to the cultivation regions & areas. To achieve this goal within the next 5 years (until 2027), we will do the following:

1. Further diversify our palm oil supply through increased purchasing from suppliers who are directly located in the countries of origin (while decreasing supply from traders) and should have a better information on raw material cultivation & its locations
2. Increase information exchange in our supply chain by engaging more suppliers in the CDP supply chain program to improve traceability data
3. Increasingly use IP-preserved or Segregated RSPO certified materials with improved traceability to the cultivation areas
4. Explore opportunities to utilize block-chain technology to systematically improve raw material traceability from cultivation to our company, including for palm oil.

Target reference number

Target 2

Forest risk commodity

Palm oil

Type of target

Assess and/or verify compliance

Description of target

In our forest policy we have defined the goal to make sure that none of our forest based raw materials contributes to deforestation. To ensure compliance with this goal, we have set 2021 the global target to assess the deforestation footprint of our entire global supply of palm based products in order verify with highest possible geospatial granularity, that none of our raw materials can be associated with ecosystem conversion and deforestation. By 2025, we want to achieve 50% of this target and by 2030 we want to achieve 100%.

Linked commitment

No conversion of natural ecosystems

Traceability point

Third-party certification scheme

Start year

2021

Target year

2030

Quantitative metric**Target (number)****Target (%)**

100

% of target achieved

2.5

Please explain

Why the target has been chosen for the company:

Symrise has declared an overall Zero-Deforestation goal to ensure that the company in all its operations does in no case contribute to deforestation or to degradation or conversion of forest ecosystems. Even though we have already introduced and are working hard on our overall RSPO certification, we feel that we need to increase our efforts in this regard. For the time being, all available data and risk assessment results of our Enterprise Information System and risk assessments indicates no connection of our palm oil supply to deforestation. This means, we have “no evidence for deforestation” in our portfolio. However, what we want to achieve in the next step, is to have 100% documented & verified “evidence for no deforestation”.

How we are planning to meet this target:

In a first step, we will systematically review the deforestation footprint of the mills, to which our entire raw material supply is connected. In addition to that, we want improve traceability beyond the mills and trace back our supply to the cultivation areas. On this basis, we will improve traceability and use geospatial analysis using earth monitoring data and analytical tools, such as GFW and other geo-information systems to monitor forest trends and potential impacts in the regions where the oil palms for our raw material supply are cultivated. Where the risk of deforestation is indicated, these activities will be accompanied by 2nd or 3rd party audits which have to be jointly conducted with our suppliers and selected sub-suppliers. As we are aware that this is a complex exercise, we envisage to fully meet this target by 2030 at latest (also including all palm based derivatives purchased in low volumes), while we expect 50% of this targeted to be already achieved in 2025. As we set and started to work on this target in Q3 2021, we only have achieved 2,5% by end of the reporting period (in terms of “% of global PO/PKO volume analyzed & assessed” for deforestation).

Target reference number

Target 3

Forest risk commodity

Palm oil

Type of target

Ecosystem restoration

Description of target

In conjunction with our target to assess & verify the deforestation footprint of our supply chains and in light of our "nature positive" commitment, we have set the target to invest in Ecosystem restoration projects to (over-) compensate for any residual forest related impacts, which cannot be avoided or mitigated through other measures (such as supplier engagement & capacity building, alternative sourcing or raw material substitution) in line with the mitigation hierarchy. As the deforestation footprint is expected to be completely assessed & verified by 2025, we have decided to select 2030 as target year to achieve our ecosystem restoration target (=133% reforestation of identified deforestation footprint in hectares after implementation of avoidance & mitigation measures), which is also in line with our CBD, OP2B and WBCSD commitments.

Linked commitment

Zero net/gross deforestation

Traceability point

Third-party certification scheme

Start year

2021

Target year

2030

Quantitative metric

Percentage

Target (number)

Target (%)

100

% of target achieved

0

Please explain

Why the target has been chosen for the company:

Symrise committed to tackle deforestation, avoid ecosystem degradation & destruction and strive for a nature positive business in line with the objectives of the UN CBD and its strategic plan which we fully support as member of the OP2B coalition. On our road towards "nature positive", we will assess and verify our deforestation footprint (see

above) of all forest related raw materials. Taking into account the mitigation hierarchy, we have first to avoid and mitigate these impacts, once identified. Because there may still be residual impacts after avoidance and mitigation measures have been taken, the OP2B members agreed in 2021 that a 1:1 compensation of negative impacts on high value ecosystems is not appropriate. Instead, a significant overcompensation of residual impacts is required from all OP2B members and we commit to overcompensate for at least an additional 33% of the residual deforestation footprint of 2025 by 2030 through targeted reforestation projects within our supply chains.

How we are planning to meet this target:

We will first assess and verify our deforestation footprint, as described above. Second, we will utilize all options to avoid and mitigate the verified impacts, e.g. by substituting critical materials or by training and capacity building of supply chain actors in sustainable cultivation techniques. Afterwards, the remaining deforestation footprint will serve as the baseline (remaining footprint in hectares = 100%) for targeted investments into reforestation and forest regeneration programs. As the OP2B members agreed that a significant overcompensation for negative impacts on nature is required (because pristine ecosystems never can be restored to their initial state), our ecosystem restoration activities will have a larger extent (in terms of hectares restored) than our deforestation footprint by 2025 (=133% restoration target). Although the assessment of the deforestation footprint is only expected to be finalized by 2025, we will not wait until then and systematically integrate reforestation projects into our ongoing supply chain intervention programs, e.g. in Indonesia. Between 2022-2025 (as long as the deforestation footprint has not been completely assessed and verified) our CDP reporting on target achievement will refer to the verified footprint of the reporting period.

F6.2

(F6.2) Do you have traceability system(s) in place to track and monitor the origin of your disclosed commodity(ies)?

	Do you have system(s) in place?	Description of traceability system	Exclusions
Palm oil	Yes	Methods used to trace back Palm Oil: Certification schemes for natural resources offer a comprehensive traceability concept to define a link between producer of sustainable products and end users of products. Symrise therefore relies on the RSPO certification scheme and its traceability systems. This system allows tracing back palm oil and derivatives to the mill under the supply chain models "Identity Preserved", "Segregated" and "Mass Balance". Our internal company traceability system integrates our global trade activities into our Enterprise IT. We use a supplier web-interface to identify not only the country of cultivation but go even further by requesting our suppliers to disclose subnational	Not applicable

	<p>provenance data at regional and –where possible – local level with updated GPS data. This allows us to trace our materials back to the source. Therefore, we request our suppliers to provide us GPS-data about the mill locations where their palm oil supply is processed and to allocate our raw material purchases to these mills. With the help of this system, we succeed in better managing our global trade activities, ensuring ongoing trade compliance, and optimizing our cross-border supply chain. It furthermore includes a risk management process regarding resource supply, which supports us to be always in compliance with the constantly changing international legal regulations that are further encompassed in the principles of the RSPO traceability scheme. Symrise is committed to source Palm Oil only from countries that support the RSPO traceability scheme and that furthermore have national legislation on the cultivation of palm oil in force (e.g. MSPO, ISPO).</p> <p>Example:</p> <p>In the reporting period, Symrise achieved a 100% Palm Oil traceability to mill and has therefore a good overview of the mills since then. On the basis of supplier information on the origin of our materials, we know that Symrise is indirectly connected - through our suppliers - with mills in Indonesia, Malaysia and Thailand and strongly engaged in getting a “real-time overview” of raw material flows from the mills to Symrise. Together with the RSPO certification, this enables us to monitor legality, environmental & social responsibilities, and business practices. This has bound the entire supply chain to become committed to transparency and an ethical conduct in business operations and transactions.</p>	
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F6.2a

(F6.2a) Provide details on the level of traceability your organization has for its disclosed commodity(ies).

Forest risk commodity	Point to which commodity is traceable	% of total production/consumption volume traceable
Palm oil	Mill	100

F6.3

(F6.3) Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)?

Third-party certification scheme adopted?	% of total production and/or consumption volume certified
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Palm oil	Yes	70.17
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F6.3a

(F6.3a) Provide a detailed breakdown of the volume and percentage of your production and/or consumption by certification scheme.

Forest risk commodity

Palm oil

Third-party certification scheme

RSPO Mass Balance

Chain-of-custody model used

% of total production/consumption volume certified

70.17

Form of commodity

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

Volume of production/ consumption certified

2,797.65

Metric for volume

Metric tons

Is this certified by more than one scheme?

No

Please explain

Action taken in the last year to maintain third-party certification:

Symrise has established clear responsibilities for Palm Oil supply chain certification.

This management position is represented in our Global Process Management department and is tasked

- to coordinate our corporate RSPO certification audits,
- ensure adherence to our sustainability policies, procedures and work instructions
- promote continuous improvement of our RSPO management system across all relevant business units
- guide response strategies in case of raw material crisis regarding PO/PKO.

Esp. the latter task became relevant in the reporting period (see F1.6). as we were affected by interrupted of logistic chains in conjunction with a palm oil export ban issued by Indonesia. As a result, several purchase orders got stuck in the logistic chain and strategic suppliers (tier-1) mainly connected to Indonesian PO production were not able

to deliver significant volumes of palm based materials in RSPO certified quality and in due time.

To maintain compliance with our sustainable sourcing targets while ensuring business continuity, mitigation options were aligned with customers. As main mitigation strategy, we further diversified our supply by reactivating former PO/PKO suppliers without RSPO chain of custody certification under the condition, that

1. they are able to provide documented evidence (tier-2 supplier RSPO certificates and/or supplier self declarations) that the non-certified materials they would sell to Symrise come from RSPO certified tier-2 or tier-3 suppliers and are not associated with deforestation;
2. commit to strive for RSPO company certification to close the chain of custody,
3. can deliver the required materials in due time.

As a result, only 70,17% of our PO/PKO purchases in the reporting period is certified according to RSPO MB. Taking into account the abovementioned volumes from non-RSPO certified tier-2 suppliers with documented evidence (at tier2-3 stage) for RSPO certified palm oil, a higher proportion of our PO/PKO portfolio could be considered as sustainable.

We expect that the certification status of our PO/PKO based raw materials portfolio will increase again with the normalization of global trade in the course of 2022.

F6.4

(F6.4) For your disclosed commodity(ies), do you have a system to control, monitor, or verify compliance with no conversion and/or no deforestation commitments?

A system to control, monitor or verify compliance	
Palm oil	Yes, we have a system in place for our no conversion and/or deforestation commitments

F6.4a

(F6.4a) Provide details on the system, the approaches used to monitor compliance, the quantitative progress, and the non-compliance protocols, to implement your no conversion and/or deforestation commitment(s).

Forest risk commodity

Palm oil

Operational coverage

Direct operations
Supply chain

Description of control systems

Control System consists of various components:

1. RSPO Certification Scheme(= 1st-party verification) to provide traceability back to the mills and bind all suppliers to comply with RSPO principles&national law.

2. Risk management procedures to enable us to monitor suppliers compliance with national regulations&guidelines on third-party standards & certifications, which are verified by on-site audits.
3. Supplier monitoring and assessment tools & questionnaires is annually sent to our suppliers. Responses on legal compliance are integrated into Enterprise Information System and further processed in our supplier assessment.
4. Geospatial monitoring tools from reliable sources (e.g. GFW Tool) to put traceability data into its geo-ecological context and to assess risk exposure on risk drivers in different sustainability dimensions, including deforestation.
5. Anonymous whistleblower mechanism to get directly informed on compliance issues by indirect suppliers or raw material growers.

Monitoring and verification approach

Geospatial monitoring tool
First-party verification
Second-party verification
Third-party verification

% of total volume in compliance

91-99%

% of total suppliers in compliance

71-80%

Response to supplier non-compliance

Retain & engage
Exclude

Procedures to address and resolve non-compliance with suppliers

Developing time-bound targets and milestones to bring suppliers back into compliance
Providing information on appropriate actions that can be taken to address non-compliance
Assessing the efficacy and efforts of non-compliant supplier actions through consistent and quantified metrics
Re-integrating suppliers back into supply chain based on the successful and verifiable completion of activities

Please explain

Monitoring frequency:

At least 2-3 times per quarter when new raw material is contracted, an internal Expert-Group (Sustainability Approval Group) checks the supplier's questionnaire answers on compliance to legal requirements and our sustainability expectations. Only if the documentation shows supplier compliance with laws and commitments, the Group gives approval to purchase its materials.

For all existing suppliers, the Group annually wraps up a global evaluation of all newly received Sustainability Questionnaires.

Response to supplier non-compliance:

When issues arise, our non-compliance protocols trigger actions depending on severity of non-compliance. In case of high forest risk, our first step would be to enter into an open dialogue on the deviations and required corrective actions. By providing information and necessary steps of actions, we engage with our supplier until compliance is given. We also offer technical support. In case the supplier is not willing or able to solve issues within a given timeframe, our second step would be to stop the business relation.

In case a supplier commits a severe infringement of our values, an escalation procedure is triggered, usually directly leading to an exclusion of the supplier without the chance of resolving the issues later. Such severe infringement includes all kinds of illegal/criminal activities such as child labor or illegal forest clearing and other activities with detrimental impacts on people & nature.

F6.6

(F6.6) For your disclosed commodity(ies), indicate if you assess your own compliance and/or the compliance of your suppliers with forest regulations and/or mandatory standards.

Assess legal compliance with forest regulations	
Palm oil	Yes, from suppliers

F6.6a

(F6.6a) For your disclosed commodity(ies), indicate how you ensure legal compliance with forest regulations and/or mandatory standards.

Palm oil

Procedure to ensure legal compliance

Procedure incl. Tools and Methods:

Symrise's procedure to ensure legal compliance with individual national regulations goes along with our Corporate & Supplier Code of Conducts, our Supplier Code of Conduct, our Sustainable Sourcing Policy & our Forest policy & strategy. We set time-bound targets, are in constant dialogue with suppliers and implement approaches to avoid non-compliance with international conventions and local laws on nature protection and forest preservation.

The compliance-process includes several steps:

- 1) All relevant (inter-) national regulations are monitored within our internal compliance management and Risk Identification & Assessment Process (Current & Emerging Regulation Risk).
- 2) The compliance of suppliers with laws and regulation is monitored as part of our supplier assessment procedure.
- 3) The resulting information is evaluated and assessed by our Sustainability Approval Group.
- 4) Whenever new relevant regulations emerge our suppliers are informed, and the supplier assessment framework is adapted accordingly.

We have tools and methods (e.g. Supplier web-interface and thematic Questionnaires,

EMS and RSPO certification) in place to maintain the certification status as well as compliance with applicable local law in our sourcing countries. Our Global Process Management department has updated and implemented standard operating procedures and conducts regular audits to ensure compliance with all voluntary standards and legal provisions.

Why our procedures in place are sufficient:

With regards to PO/PKO, the RSPO certification in combination with our internal supplier assessments and legal monitoring is a sufficient tool to ensure compliance because of the extensive principles, both tools rely on. The RSPO as well as the ISPO/MSPO cover a set of general themes such as legality, environmental & social responsibilities, and business practices. The ISPO/MSPO have far fewer criteria than the RSPO, which requires companies to go beyond national regulations. Because RSPO is far more transparent in its standard development and auditing results than ISPO and MSPO, we consider the RSPO certification – in conjunction with regulatory monitoring and supplier assessment & audits - as sufficient standard for ensuring legal compliance of our supply chain.

Country/Area of origin

Indonesia

Malaysia

Thailand

Law and/or mandatory standard(s)

ISPO

MSPO

Comment

See cell on the left.

F6.7

(F6.7) Are you working with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems?

	Are you working with smallholders?	Type of smallholder engagement approach	Smallholder engagement approach	Number of smallholders engaged	Please explain
Palm oil	Yes, working with smallholders	Capacity building Financial and commercial incentives	Offering on-site technical assistance and extension services Organizing capacity building events Prioritizing support for	500	Main strategy of engagement: In addition to our supply chain risk and sustainability assessments, we identify strategic supply chains where intervention projects can be implemented to achieve our corporate commitments towards zero

			<p>smallholders in high-risk deforestation regions</p> <p>Paying higher prices linked to best agricultural practices</p>	<p>deforestation and improve supply chain sustainability</p> <p>Example of smallholder engagement activities completed in last year:</p> <p>On Sulawesi, Indonesia, we have continued together with one of our key strategic patchouli suppliers to implement an intervention project in a high risk deforestation region aiming at avoiding deforestation by providing capacity building to smallholder communities.</p> <p>The main strategy of engagement consists of trainings in good cultivation techniques to maintain & improve soil health and productivity as well as income diversification to support better livelihoods..</p> <p>The results of an on-site audit conducted in Q3 2021 showed that we and our project partners are on the right track.</p> <p>Taking 3rd party recommendations for livelihood improvement through income diversification very seriously, we have jointly discussed with our suppliers the opportunity of introducing the oil palm into patchouli cultivation in order to 1. provide shadow trees for farming areas under which additional aromatic plants can grow in suitable microclimates, 2. Use future harvests of sustainably cultivated oil palms directly</p>
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				<p>in our cosmetics business for selected sustainability focused key customers. First trial areas have already been set up in the reporting period and an expansion of this approach is intended after successful project evaluation.</p> <p>In addition to the technical assistance provided in our pilot lighthouse project, we are committed to long term relationships & engagement and also committed to paying fair prices above average, which are intended to secure living incomes of smallholder communities, so that they do not need to expand farm areas into native forests and receive sufficient incentives to improve the raw material cultivation system.</p> <p>We consider our holistic approach which combines environmental and social sustainability as key to 1. stop farm extension into native forests (which is still common practice on Sulawesi), 2. guarantee a long term sustainable raw material supply and 3. support the livelihoods of smallholder farmers on which our raw material supply critically depends.</p>
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F6.8

(F6.8) Are you working with your direct suppliers to support and improve their capacity to comply with your forests-related policies, commitments, and other requirements?

	Are you working with direct suppliers?	Type of direct supplier engagement approach	Direct supplier engagement approach	% of suppliers engaged	Please explain
Palm oil	Yes, working with direct suppliers	Supply chain mapping Capacity building Financial and commercial incentives	Organizing capacity building events Paying higher prices linked to best agricultural practices	81-90%	<p>Engagement strategy</p> <p>In addition to our supply chain mapping activities, we also engage with direct suppliers responsible for >>80% of our palm oil supply in multi-stakeholder initiatives or through providing capacity building events to establish deforestation-free supply chains. To improve the capacity of our strategic suppliers of forest based materials, we have again conducted in 2021 & 2022 regular capacity building events, e.g. in the course of the CDP SC program.</p> <p>The activities completed include multiple webinars as well as follow-up calls and meetings to (1) explain to our suppliers the importance of intact forests for sustainable development, (2) enable them to analyze, assess, monitor and report any forest-related impacts to our company and the general public, (3) raise awareness and capacity to avoid negative impacts and to increase positive impacts on forests (e.g. through risk assessment, raw material certification or voluntary offsetting projects). In addition, we ask strategic suppliers to support and engage within multi-stakeholder initiatives on sustainable forest management (including FSC & RSPO) and to</p>

				<p>provide proposals for common supply chain projects focusing on forest issues in the last reporting year.</p> <p>Example of activities last year: We increased supplier engagement by requesting them to take part in the CDP forest program. We aided with answering the questionnaire and the disclosing of the data. In the end of 2021, >67% of our strategic suppliers had implemented their own forest risk assessment procedures and set forest-related sustainability targets to address deforestation and forest degradation.</p> <p>To further strengthen supplier engagement and improve the forest footprint of our value chain, we were diversifying again our supplier base and also paid premiums for suppliers able to provide Symrise with certified sustainable natural materials (including palm oil) linked to best cultivation practices which are externally verified by competent 3rd party certification bodies. Our overall ambition is to increasingly move to Segregated or IP materials, which we intend to reward accordingly – in financial terms as well as through granting preferred supplier status for the expected sustainability performance - according to our forest policies&targets.</p>
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F6.9

(F6.9) Are you working beyond your first-tier supplier(s) to manage and mitigate deforestation risks?

	Are you working beyond first tier?	Type of engagement approach with indirect suppliers	Indirect supplier engagement approach	Please explain
Palm oil	Yes, working beyond first tier	Supply chain mapping Capacity building	Supplier questionnaires on environmental and social indicators Supplier audits Investing in pilot projects	<p>Description of main strategy of engagement:</p> <p>In addition to (i) our holistic supplier analysis, assessment & engagement procedures and (ii) RSPO certification of palm-based materials, one of our major tools to ensure that our zero-deforestation commitments are cascaded down the value chain is the CDP Supply chain program. For this reason, we sent again our supplier questionnaire to our strategic suppliers of oil palm-based materials in the reporting period to</p> <ul style="list-style-type: none"> -engage in the CDP SC program, -speed up with the implementation of their own corporate forest policies, risk assessment procedures & mitigation strategies and -to disclose their performance data. <p>As almost all of these suppliers are not directly connected to oil palm plantations, we request them to also engage with their suppliers to enforce our zero deforestation targets and commitments. Thanks to our efforts, more than 2/3 of our strategic suppliers have implemented their own forest policies and cascaded further targets down the value chain.</p> <p>Example of indirect supplier engagement activities completed in reporting year</p> <p>In Indonesia, we have set up a supply chain intervention program with a strategic supplier as a pilot project where we provide training and capacity building for smallholders to promote good cultivation techniques in order to simultaneously increase farmer income and promote soil health to keep cultivation areas productive. We consider this pilot project approach as effective to avoid slash & burn practices and farm area extension into forests. As a</p>

				<p>result, any deforestation by smallholder farmers can be avoided. Our efforts have been assessed in August 2021 through a third-party on-site audit conducted by the Union for Ethical Bioproducts, (UEBT) which is one of our strategic partners for sustainable use of biodiversity based raw materials. In this audit, the supply chain was assessed according to the UEBT ethical bioproducts principles and criteria (incl. sustainable forest management).</p> <p>Audit showed good practices (trainings on sustainable cultivation; soil monitoring; collaboration with local farmers). Also, some areas for improvement were identified (e.g. better pest management, better land monitoring; health & safety measures for smallholders). Findings are being translated into a workplan. Outcomes will be reviewed in Q4 2022.</p>
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F6.10

(F6.10) Do you engage in landscape (including jurisdictional) approaches to progress shared sustainable land use goals?

Do you engage in landscape/jurisdictional approaches?	
Row 1	No, but we are planning to engage in landscape/jurisdictional approaches in the next two years

F6.11

(F6.11) Do you participate in any other external activities and/or initiatives to promote the implementation of your forests-related policies and commitments?

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Roundtable on Sustainable Palm Oil (RSPO)

Please explain

Symrise´s role within the activity provided:

Symrise became member of the RSPO to promote the RSPO certifications in our value chains for CPO, PKO and respective derivatives. Although 70,17% of our Palm Oil is already certified by the RSPO Mass Balance, we want to spread this certification and even improve it by RSPO Segregated and Identity Preserved.

Within the membership, we annually publish our “Annual Communication of Progress” (ACOP) to inform external stakeholders about respective corporate activities, performance and progress regarding our palm oil policy objectives.

How activity selected fits within Symrise´s environmental strategy:

Symrise has published a ForestPolicy with specific criteria for palm oil, including the commitment to eliminate deforestation. The RSPO is a valuable initiative that supports Symrise along its realization of the goal by providing an encompassing certification scheme. That scheme guarantees a clear cut-off date, the traceability of natural resources back to the mill, ethical sourcing conditions for farmers, sustainable cultivation as well as compliance with legal requirements.

Please note: As this is a global initiative with a global activity scope, we are not able not select any countries or subnational areas to which these activities apply.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

UN Global Compact

Please explain

Symrise's role within the activity provided:

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 of the United Nations (SDGs). We actively contribute to achieving them along our entire value chain, from the generation of raw materials and product development to our customer relationships.

A key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the principles. We support public accountability and transparency and therefore annually report our process according to the Global Compact COP policy.

How the activity selected fits within Symrise's environmental strategy:

The 17 global sustainability objectives pave the way for sustainable development and provide the framework for what we as a company can and must achieve to guarantee successful operations in the future as well. Due to our broad positioning and our multi-layered business model, we must keep an eye on all the goals and focus on those where we can make the most effective contribution. Based on the SDG subgoals, we identified six SDGs (8, 12, 13, 14, 15, 17), where Symrise can, with regard to our business activities and the effects of our actions on the environment and society, achieve a particularly high impact throughout our entire value chain - especially in collaboration with our partners.

Please note: As this is a global initiative with a global activity scope, we were not able to select any countries or subnational areas to which these activities apply.

Forest risk commodity

Palm oil

Do you participate in activities/initiatives?

Yes

Activities

Involved in multi-partnership or stakeholder initiatives

Country/Area

Not applicable

Subnational area

Not applicable

Initiatives

Other, please specify

One Planet Business for Biodiversity

Please explain

Symrise's role within the activity provided:

In 2018, Symrise was one of 19 founding members of the One Planet- Business for Biodiversity Initiative. This initiative is an international cross-sectional, action-oriented business coalition with a specific focus on agriculture and forest ecosystems. Symrise as member committed on the overall 2030 goal that is, amongst other, to eliminate deforestation along the whole value chain. Further, the initiative, with Symrise actively participating, is determined to drive transformational systemic change, engage with institutional and financial decision-makers and develop and promote policy recommendations. In the reporting period, objectives, targets and policy asks were discussed in multiple international fora on nature conservation.

How the activity selected fits within Symrise's environmental strategy:

Symrise has developed a corporate biodiversity agenda and published a forest policy (into which our palm oil policy was integrated in the reporting period) and defined the overall Zero-Deforestation-Goal. The initiative OP2B is now a further step to support this goal. Symrise is member of the RSPO and the FSC and both initiatives, together with company internal approaches, already offer several perspectives and opportunities on how to eliminate deforestation. Now, with the OP2B initiative, even more valuable approaches and concepts are provided. Objective of the OP2B initiative is to conserve ecosystems and biodiversity, e.g. through the mandatory commitment of all member companies to protect high value ecosystems and to stop deforestation from supply chains. Symrise is committed to collaborate with all OP2B members to achieve this goal by defining collaboration projects across our common value chains, including for deforestation risk commodities, Symrise appreciates to profit from these initiatives and takes the opportunity to achieve the company's objectives whilst sharing our internal expertise and values with others.

Please note: As this is a global initiative with a global activity scope, we did not select any countries or subnational areas to which these activities apply.

F6.12

(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and protection?

Yes

F6.12a

(F6.12a) Provide details on your project(s), including the extent, duration, and monitoring frequency. Please specify any measured outcome(s).

Project reference

Project 1

Project type

Natural regeneration

Primary motivation

Voluntary

Description of project

In Madagascar, Symrise has implemented an industry leading supply chain intervention program to promote a sustainable vanilla sourcing model to the benefit of people and nature. The overall objective of this program is to ensure a sustainable and traceable vanilla supply chain, to support farmer's self-subsistence and governance plus the promotion of forest conservation and reforestation. Intact forests are a pre-requisite for a sustainable vanilla supply chain, as vanilla orchids can only grow under shadow trees in a healthy, semi-natural environment. Our holistic approach is based on 4 pillars and corresponding activities:

1. Income security: Farm management training and crop diversification program
2. Health safety: Ensure health insurance
3. Education: Support primary and professional education
4. Environment: conservation of natural resources & biodiversity.

Within our sustainable vanilla program, we currently partner with 84 local village communities and are engaging with >7,000 smallholder farmers to guarantee utmost sustainable cultivation practices. In addition, about 500,000 seeds of merbau trees (a tropical timber) were distributed and planted by the Malagasy people to support reforestation and income diversification at the same time.

We offer our partners higher incomes, greater independence, health benefits and improved continued education. To do so, Symrise re-invests 10 % of the revenue from vanilla operations in education, training, reforestation and health care. Symrise further investigates cultivation methods to improve yield and quality of farmland's soil.

Reason for voluntary engagement:

Vanilla cultivation is one of Symrise's core competences and has always had a central role in the company since the company's founders invented synthetic vanillin in 1874. Hence, our involvement in Madagascar and the sustainable supply chain is a keystone to our expertise. Symrise introduced this project voluntarily to keep competency in vanilla products high, to profit from long-term contracts and high-quality products. Next to creating shared value with the local farmers, Symrise took advantage of the existing project to commit to reforestation targets.

The project presents a long-term engagement, so no target date is defined. Hence, no target area is set but a continuous integration of the surrounding farmers will increase the joint project area.

Start year

2016

Target year

Indefinitely

Project area to date (Hectares)

10,000

Project area in the target year (Hectares)

10,000

Country/Area

Madagascar

Latitude

-14.908715

Longitude

50.269252

Monitoring frequency

Six-monthly or more frequently

Measured outcomes to date

Biodiversity

Carbon sequestration

Please explain

Measured outcome regarding biodiversity:

Within our sustainable vanilla program, we currently partner with 84 local village communities. More than 5,000 of engaged smallholder farmers have already achieved Rainforest Alliance, Fairtrade and/or UTZ/UEBT certification to guarantee utmost sustainable cultivation practices and protect the unique Malagasy biodiversity.

Measured Outcomes regarding carbon sequestration:

More than 500,000 tree seedlings to support reforestation have been given to and planted by the farmers.

Madagascar is increasingly harmed by climate change (e.g. droughts, extreme weather events) and forests can improve the local resilience against climate change on the one hand while further reduce the company's carbon footprint on the other hand. Estimating a carbon sequestration of 10 kg CO₂ per tree and year (conservative estimation due to literature), a total of 5,000 tones CO₂ captured due to the project each year can be assumed. In addition to that, in 2021 we have again increasingly invested in Carbon Offset projects in Madagascar in order to combine the creation of positive impacts for nature & biodiversity with the compensation of unavoidable CO₂ emissions at our operations.

F7. Verification

F7.1

(F7.1) Do you verify any forests information reported in your CDP disclosure?

No, we are waiting for more mature verification standards/processes

F8. Barriers and challenges

F8.1

(F8.1) Describe the key barriers or challenges to eliminating deforestation and/or conversion of other natural ecosystems from your direct operations or from other parts of your value chain.

Forest risk commodity

Palm oil

Coverage

Supply chain

Primary barrier/challenge type

Limited availability of certified materials

Comment

In the past year, we reported and discussed the need to increase awareness along the supply chain to improve transparency and traceability beyond the mills and to increase the availability of RSPO certified materials in the PKO derivatives supply chain, which consists of many actors with complex trade structures. Although this challenge remains, we would like raise awareness for issues on the other side of the value chain and point out our observed need to systematically advocate for application of RSPO certification and the use of certified materials among final product manufacturers. We have invested many resources in the past years to maximise our inputs of RSPO certified PO & PKO derivatives, starting with the Mass Balance approach. At the same time, we observe that still too many customers do not sufficiently value our ingredient solutions which include RSPO certified materials. As a result, we are not yet able to fully compensate for increased purchasing prices for certified materials if not all of our customers are willing to accept necessary price adaptations for certified materials.

F8.2

(F8.2) Describe the main measures that would improve your organization's ability to manage its exposure to deforestation and/or conversion of other natural ecosystems.

Forest risk commodity

Palm oil

Coverage

Supply chain

Main measure

Increased knowledge on commodity driven deforestation and forest degradation

Comment

To overcome the challenges described above, we believe that any further efforts to raise awareness within the food and the fast moving consumer goods markets for the need to understand sustainable palm oil trade and RSPO certification as the "new normal", while accepting required price adaptations for all value chain actors would be beneficial not only to the sustainability performance of the entire palm oil sector, but also reward companies for their efforts who are taking the lead in sustainable systems transformation. To support this ambition, we believe that increased knowledge on commodity driven deforestation and increased knowledge on the fact that sustainable products require adequate financial valuation - also by consumers - will help to create right market demand and reward those companies, who are taking the lead in the "systems transformation".

F17 Signoff

F-FI

(F-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

F17.1

(F17.1) Provide the following information for the person that has signed off (approved) your CDP forests response.

	Job Title	Corresponding job category
Row 1	Chief Executive Officer (CEO)	Chief Executive Officer (CEO)

SF. Supply chain module

SF0.1

(SF0.1) What is your organization's annual revenue for the reporting period?

	Annual revenue
Row 1	3,825,000,000

SF1.1

(SF1.1) In F6.3 you were asked "Have you adopted any third-party certification scheme(s) for your disclosed commodity(ies)? Indicate the volume and percentage of your certified production and/or consumption". Can you also indicate, for each of your disclosed commodity(ies), the percentage of certified volume sold to each requesting CDP supply chain member?

No

SF1.1b

(SF1.1b) Why can you not indicate the percentage of certified volume sold to each of your requesting CDP supply chain members? Describe any future plans for adopting and communicating levels of certification to requesting members.

Requesting member

L'Oréal

Forest risk commodity

Palm oil

Primary reason

Other, please specify

We are happy to share the certification status regarding Palm Oil with our customers upon request via our sales teams

Please explain

Requesting member

Altria Group, Inc.

Forest risk commodity

Palm oil

Primary reason

Other, please specify

We are happy to share the certification status regarding Palm Oil with our customers upon request via our sales teams

Please explain

Requesting member

Estee Lauder Companies Inc.

Forest risk commodity

Palm oil

Primary reason

Other, please specify

We are happy to share the certification status regarding Palm Oil with our customers upon request via our sales teams

Please explain

Requesting member

Grupo Boticário

Forest risk commodity

Palm oil

Primary reason

Other, please specify

We are happy to share the certification status regarding Palm Oil with our customers upon request via our sales teams

Please explain

Requesting member

FIRMENICH SA

Forest risk commodity

Palm oil

Primary reason

Other, please specify

We are happy to share the certification status regarding Palm Oil with our customers upon request via our sales teams

Please explain

Requesting member

Philip Morris International

Forest risk commodity

Palm oil

Primary reason

Please explain

Requesting member

Altria Group, Inc.

Forest risk commodity

Palm oil

Primary reason

Other, please specify

We are happy to share the certification status regarding Palm Oil with our customers upon request

Please explain

SF2.1

(SF2.1) Please propose any mutually beneficial forests-related projects you could collaborate on with specific CDP supply chain members.

SF2.2

(SF2.2) Have requests or initiatives by CDP supply chain members prompted your organization to take organizational-level action to reduce or remove deforestation/forest degradation from your operations or your supply chain?

No

SF3.1

(SF3.1) For your disclosed commodity(ies), do you estimate the GHG emission reductions and/or removals from land use and land use change that have occurred in your direct operations and/or supply chain?

Palm oil

Estimate GHG emissions and removals from land use and land use change

Yes, but not willing to share details

Please explain

Details can be shared with all our customers upon request via our sales teams.

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

The European Climate Pact Submission

Please indicate your consent for CDP to showcase your disclosed environmental actions on the European Climate Pact website as pledges to the Pact.

Yes, we wish to pledge to the European Climate Pact through our CDP disclosure

Please confirm below

I have read and accept the applicable Terms