

## Welcome to your CDP Forests Questionnaire 2023

### 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, 2022	June 30, 2023

## 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.**

### Timber products

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#### Commodity disclosure

Not disclosing

#### Stage of the value chain

Manufacturing

#### Explanation if not disclosing

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:

- 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.

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.

### Palm oil

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#### Commodity disclosure

Disclosing

#### Stage of the value chain

Manufacturing

#### Are you disclosing information on embedded commodities?

No, because we have no embedded commodities

### Cattle products

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### **Commodity disclosure**

Not disclosing

### **Stage of the value chain**

Manufacturing

### **Explanation if not disclosing**

Symrise uses little volumes of cattle by-products as flavor ingredients. We again decided not to report on cattle products because Symrise

- does not use cattle products as such, but only by-products from the meat industry which would otherwise be treated as waste;
- needs only very small quantities (cattle by-products make up less than 0.01% of our annual spend). These come from trusted suppliers.

So we believe that our sourcing of cattle derivatives has no impact on deforestation/forest degradation.

## **Soy**

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### **Commodity disclosure**

Not disclosing

### **Stage of the value chain**

Manufacturing

### **Explanation if not disclosing**

Symrise uses soybean oils and soy sauces as flavor ingredients. We again decided not to report on soy products because

- soy products are of low significance 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.

So we believe that our sourcing of soy products has only a very small impact (if any) on deforestation/forest degradation.

## **Other - Rubber**

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### **Commodity disclosure**

This commodity is not produced, sourced or used by our organization

## **Other - Cocoa**

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### **Commodity disclosure**

Not disclosing

### **Stage of the value chain**

Manufacturing

### **Explanation if not disclosing**

Symrise decided not to report on cocoa products because

- 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 mainly 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.

Nevertheless, we are continuing our risk assessment regarding cocoa and will report on this commodity whenever we assess cocoa as reason for deforestation.

## Other - Coffee

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### Commodity disclosure

Not disclosing

### Stage of the value chain

Manufacturing

### Explanation if not disclosing

Symrise decided not to report on coffee products because

- 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 sourcing quantities are very low on the market and do not have the potential of a large impact on deforestation/forest degradation.

Nevertheless, we are continuing our risk assessment regarding cocoa and will report on this commodity whenever we assess cocoa as reason for deforestation.

## F0.5

**(F0.5) Select the option that describes the reporting boundary for which forests-related impacts on your business are being reported**

Operational control

## F0.6

**(F0.6) Select the countries/areas in which you operate.**

Argentina

Australia

Brazil

Canada

Chile

China

Colombia

Costa Rica

Ecuador

Egypt

France

Germany

Hungary  
India  
Japan  
Madagascar  
Mexico  
Netherlands  
Russian Federation  
Singapore  
South Africa  
Spain  
Thailand  
United Kingdom of Great Britain and Northern Ireland  
United States of America  
Venezuela (Bolivarian Republic of)

## F0.7

**(F0.7) Are there any parts of your direct operations or supply chain that are not included in your disclosure?**

Yes

## F0.7a

**(F0.7a) Identify the parts of your direct operations or supply chain that are not included in your disclosure.**

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### Forest risk commodity

Palm oil

### Value chain stage

Supply chain

### Exclusion

Country/ geographical area

### Description of exclusion

We would like to exclude approx. 4.5% of our global palm related purchasing volumes 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 at different stages of the supply chain. 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 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.

#### **% of volume excluded**

1-5%

#### **Potential for forests-related risk**

Potential for forests-related risk, evaluated, but not disclosing to CDP

#### **Please explain**

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. 4.5% of our palm related purchasing volume and because the natural vs. synthetic bias exists, we would like to focus our reporting efforts on those parts of our oil palm based portfolio for which the required data and information are available. The excluded volumes do in no way present a significant portion of the company's operations. Otherwise, the reporting procedure would be highly 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.

## **F0.8**

**(F0.8) 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 (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 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.**

	<b>% of revenue dependent on commodity</b>	<b>Comment</b>
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 5389t of oil palm-based materials globally. Compared to the previous reporting year (4,447t), the use of palm oil and palm kernel oil derivatives increased by approx. 20%. However, compared to previous reporting period, the scale of revenue dependent on palm oil -based materials is still in the range of 6-10% of our total revenue.

**F1.5**

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

	<b>Data availability/Disclosure</b>
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.**

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### Forest risk commodity

Palm oil

### Data type

Consumption data

### Commodity production/ consumption volume

5,389

### 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?

Yes

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

71

### 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 that any 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 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 objective.

## F1.5b

**(F1.5b) Provide a breakdown of your DCF and non-DCF volumes relevant to your stage in the supply chain according to how verification is achieved and the highest level of traceability, respectively.**

### Palm oil – DCF

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**% of DCF production/consumption volume from areas with no or negligible risk of deforestation/conversion**

0

**% of DCF production/consumption volume verified through monitoring systems**

**% of DCF production/consumption volume physically certified**

100

**Total percentage of production/consumption volume reported (DCF) [auto-calculated]**

#### **Palm oil – Non DCF**

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**% of non-DCF production/consumption volume from unknown origin**

**% of non-DCF production/consumption volume traceable only as far as country level**

**% of non-DCF production/consumption volume traceable only as far as sub-national area**

**% of non-DCF production/consumption volume traceable only as far as processing facility level**

100

**% of non-DCF production/consumption volume traceable to production unit level**

**Total percentage of production/consumption volume reported (non-DCF) [(auto-calculated)]**

### **F1.5c**

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

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**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 Bengkulu; Sumatra Barat; Sumatra Utara; Java Barat; Javah Banten**% of total production/consumption volume**

59

**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 analysed 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 2022/23 demand originates only from 3 countries: Indonesia (59%), Malaysia (30%) and Thailand (11%). 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; Terengganu

**% of total production/consumption volume**

30

**Please explain**

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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**

11

### **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.

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## F1.5f

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

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**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?**

No

## 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.**

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**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**

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**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  
Impact on water security  
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 with the EU-regulation on Deforestation Free Products, we assess individual risks and potential impacts.

Description of assessment tools/methods:

Internal Company 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. In addition to biodiversity criteria, also aspects such as climate change impacts or water security / scarcity are assessed.

External Consultants and Global Forest Watch

2. These internal company data are then matched with data obtained by external consultants and public databases such as Global Forest Watch Pro, WWF Biodiversity & Water Risk Filter, scientific reports as well as additional supplier assessment tools, such as Ecovadis or SEDEX/SMETA. Monitored and assessed issues include amongst others deforestation & degradation risks, material accessibility, physical risks (climate, water ecosystems), 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 each potential risk. To guarantee a holistic analysis, this assessment process includes the whole value chain (supply chain and direct operations). Our risk analytics team meets at least 4 times/year to evaluate and assess any identified risks.

## 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 mapped the entire 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

- Own operations
- Tier 1 suppliers
- Tier 2 suppliers
- Customers

### % of total suppliers covered within selected tier(s)

100

### Description of mapping process and coverage

As globally operating company, Symrise has mapped its own operations as well as the upstream and downstream value chain. Therefore, we identified our stakeholders, their operations and how they relate to us as well as to each other. Along our upstream and downstream value chain, our main stakeholders are our Tier 1 / Tier 2 suppliers and our customers. 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.

Our enterprise IT does as well include all information on our operation sites, their interrelation, and dependencies.

With our customers, we are in exchange of information either bilaterally or via further mapping tools and reporting systems, like e.g. the CDP Supply Chain Module.

**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)**

## F2.3

**(F2.3) Do you use a classification system to determine risk of deforestation and/or conversion of other ecosystems for your sourcing areas, and if yes, what methodology is used, and what is the classification used for?**

Use of a classification system to determine deforestation and/or conversion risk of sourcing areas	
1	No, but we plan to in the next two years

## 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.**

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### Forest risk commodity

Palm oil

### Type of risk

Regulatory

### Geographical scale

Global

### Where in your value chain does the risk driver occur?

Supply chain

### Primary risk driver

Non-compliance with national legislation

### Primary potential impact

Fines, penalties or enforcement orders

### Company-specific description

In the reporting period, a new EU regulation on Deforestation Free Supply Chains (EUDR) has been agreed on by the European Council. According to the EUDR, market actors who manufacture specific raw materials or products must provide monitoring information, including GPS data of the areas, the respective raw materials have been sourced from. One of the raw materials defined in the EUDR is palm oil, as well as palm kernel oil and all related derivatives. In case our ongoing legal assessment concludes that we are in scope of the EUDR, Symrise has in the long run the Due Diligence to provide information on the areas, the purchased palm oil as well as all chemicals and derivatives that might contain processed palm oil are sourced from. Especially the later have extremely long and complex supply chains, which makes tracing back to the actual planting areas very complicated.

Therefore, our risk is to not be able to provide all the necessary information needed to comply with the EUDR.

The member countries of the EU now have 18 months to adopt the EU regulation into national legislation, to define a national supervisory authority and to make additional amendments. The countries can decide individually on penalties, fees or any other enforcement orders in case of non-compliance of the EUDR. Therefore, on the one hand there is a lot of pressure to implement processes to fulfil our Due Dilligence, while there is still insecurity on potential consequences and relevant authorities.

**Timeframe**

Current - up to 1 year

**Magnitude of potential impact**

High

**Likelihood**

Unlikely

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact (currency)**

70,000,000

**Potential financial impact figure - minimum (currency)**

**Potential financial impact figure - maximum (currency)**

**Explanation of financial impact**

The potential financial impact figure is based on a worst-case scenario. As the situation regarding sanctions and fees in case of non-compliance is still unclear, we estimate here a total sales ban of our palm-based products.

If Symrise was prohibited to deliver any products that are related to palm oil or its derivatives, we would lose a sales volume of 70 mio EUR.

**Primary response to risk**

Monitor and stay ahead of regulation

**Description of response**

Implemented response strategy:

Since the draft of the EUDR has been introduced by the European Commission, Symrise has started to implement first processes and monitoring systems to guarantee compliance. These processes have so far been concentrated step by step on the relevant commodities, starting with timber, which is as well affected by the directive. For palm oil and derivatives, Symrise is at the moment evaluating potential monitoring tools, to improve traceability to local levels and generate the required GPS data of plantations. Furthermore, we increased our supplier communication to already sensitize our suppliers about the information we prospectively need from them and to inform them on all regulative requirements.

**Cost of response**

225,000

**Explanation of cost of response**

Method for estimating the figure:

Our cost of response is the cumulated sum of

- 100.000 EUR: costs from purchasing licenses for additional traceability tools
- 125.000 EUR: costs for additional staff and resources who are responsible to implement all regulative requirements into our operational processes.

**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**

Markets

**Where in your value chain does the opportunity occur?**

Direct operation

Supply chain

**Primary forests-related opportunity**

Stronger competitive advantage

**Company-specific description**

Explanation of company specific opportunity:

Symrise has anticipated opportunities to improve its market position against competitors and to strengthen our brand value by traceability for palm-based raw materials and corresponding products.

Our internal market investigations show that – in light of increased legal requirements related to the EU regulation on deforestation free products – an increasing number of customers will be requesting documented evidence for deforestation free supply chains. In order to support our customers on their journey to proof, that the oil palm based materials they buy from Symrise are not associated with deforestation, our responsible

sourcing teams are currently evaluating options to increase traceability beyond the mills and to get closer to the cultivation areas.

This can be a very challenging exercise for the entire flavor & fragrance industry, especially wrt palm based derivatives which reach our company (and competitors) after multiple processing steps.

Even though the new EU regulation initially leads to additional costs, the resulting supply chain transparency gives us a competitive advantage against all companies, operating outside the EU.

In this case, our customers may choose to increase purchasing volumes from Symrise and to buy less from competitors, which would strengthen our market position and company turnover with deforestation freepalm based ingredients & products.

Implementation stage of strategy:

The strategy described above has recently been initiated under the leadership of corporate sustainability working in close collaboration with our responsible sourcing teams and corresponding purchasing departments in all relevant business units.

**Estimated timeframe for realization**

1-3 years

**Magnitude of potential impact**

Medium

**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)**

1,500,000

**Potential financial impact figure – maximum (currency)**

2,500,000

**Explanation of financial impact figure**

Our financial impact figure is a range based on customer commitments to either maintain or increase their purchasing volume of Symrise ingredients over the next 2-3 years, provided that Symrise ensures that the related materials are proven to be deforestation free and can provide corresponding due diligence declarations on the basis of documented evidence for raw material origin and the absence of deforestation in the cultivation areas.

Approach to calculate figure:

Financial figure shows the predicted additional sales value of all products within our portfolio which

- (1) contain PO/PKODerivatives (above 0,5% concentration), and  
(2) is 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.

### **Cost to realize opportunity**

225,000

### **Strategy to realize opportunity**

Explanation of strategy to realize opportunity:

In the reporting period, we have developed a strategy to comply with legal requirements and customer specifications on deforestation free supply chains, which include the following key elements:

1. Market screening for traceability tools and service providers
2. Tool selection and implementation of traceability campaign beyond the mills
3. Conduct forest risk assessment at highest possible granularity, identify controversial sources associated with deforestation and find alternative supply
4. Maximize supply of sustainable palm based materials (incl. derivatives) and get documented evidence from tier1-n suppliers to classify our products as deforestation free
5. Sell sustainable palm based materials and enable customer to comply deforestation free product requirements

Example of strategy in action:

Since several years, Symrise is working hard improve responsible sourcing practices, supply chain transparency & traceability and supplier engagement for more sustainable materials. Thanks to our efforts, we have continuously increased the share of RSPO certified materials as well as traceability of palm based materials & derivatives. As a consequence, we have a good overview of the locations of the mills and oil palm processing facilities (>5000) in the countries of origin. However, we want and – because of legal requirements – need to go further and improve traceability to cultivation areas in order to be able to meet regulatory and customer requirements. Initial activities to maximize traceability as described have shown that this is a challenging, but possible exercise.

As soon as we have finally selected our future service provider and have implemented the traceability & geomonitoring solution we will review and update our risk assessments and report on progress made, but this will require further time. We expect, that we are ready to report initial progress in the course of the next CDP reporting period.

Costs to realize opportunity

The 225.000 Euro sum up from:

- 100.000 EUR: costs from purchasing licenses for additional traceability tools
- 125.000 EUR: costs for additional stuff and ressources who are responsible to implement all regulative requirements into our operational processes.

## 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 or committee	Responsibilities for forest-related issues
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 to strengthen our corporate risk assessments as well as traceability system to anticipate new legal requirements regarding forests (i.a. EU regulation on deforestation free products, which requires transparency to cultivation areas). Consequently, the required technical and financial resources for tools and staff to increase supply chain transparency and traceability were approved by the CEO &amp; CSO of Symrise within the reporting period. Finally, the corporate sustainability team was tasked to lead strategy implementation in close collaboration with our responsible sourcing teams and purchasing departments who were mandated to support this process.</p>
Chief Sustainability Officer (CSO)	<p>Under the chairmanship of the 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 range from RSPO certification through to compliance management with local and global forest &amp; biodiversity regulations + implementation of strategies for smallholder engagement in critical supply chains. In the past reporting period, esp. the management review &amp; improvement of our due diligence system regarding the EU Deforestation Regulation was in focus of &amp; guided by our top management.</p>

## 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	Monitoring implementation and performance Overseeing acquisitions, mergers, and divestitures 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	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 the above-mentioned issues from the Corporate Sustainability 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.

## 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, CEO of a RSPO member company which works with oil palm based raw materials and strongly promotes RSPO principles & certification).

**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)	Forests-related responsibilities of this position	Frequency of reporting to the board on forests-related issues	Please explain
Chief Sustainability Officer (CSO)	Managing annual budgets relating to the implementation of forest-related policies and commitments Assessing forests-related risks and opportunities Managing forests-related risks and opportunities	More frequently than quarterly	The CSO leads the sustainability board, is anchored directly under the CEO and reports regularly to the corporate board.  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 the responsible management of forest ecosystems in our sourcing areas or the provision and approval of budgets required to meet our forest-related company objectives. In collaboration with our corporate risk management, the board & CSO also provide guidance for risk assessments and develop precise action plans to improve our (forest) sustainability performance.  The CSO combines the required professional expertise with the knowledge on all sustainability issues

			<p>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>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, risks, opportunities or investments to the advisory board.</p> <p>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 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	Contribution of incentives to the achievement of your organization's forests-related commitments	Please explain
Monetary reward	Chief Sustainability Officer (CSO)	Company performance against a sustainability index with	The CDP Forest Disclosure is used as an indicator for forest related target progress. The Questionnaire makes us	Details on indicators: Symrise committed itself to high sustainability targets and production standards. To support the

	Chief Purchasing Officer (CPO)	forest-related factors (e.g., CDP Forests Score)	<p>analyse the status quo, the steps made in the reporting year and the gaps, that are still to close. Furthermore, as the questionnaire and the requirements develop and get stricter, we can make sure that our effort and striving is always in line with the most current environmental needs. We are forced to review and readjust our internal targets on a regular basis, which is very valuable and ensures regular exposure to the subject matter. Therefore, the score of the CDP questionnaire is seen as an overall score of our forest-related activities and commitments. The achievements we make with our rankings can therefore provide guidance to incentivize our CSO and CPO.</p>	<p>achievement of these targets, an annual bonus is paid to relevant C-Suite Managers, depending on their engagement in promoting the environmental performance of our company. 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. Threshold of success: The thresholds for obtaining the annual bonus currently are:</p> <ul style="list-style-type: none"> <li>- 100 % achievement of sustainable sourcing target improvement in the reporting period</li> </ul> <p>Method for measurement &amp; Linkage:</p> <p>The bonus is paid pro rata depending on the level of target achievement within the fiscal year:</p> <ul style="list-style-type: none"> <li>- 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%, 50 % are paid.</li> </ul>
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Non-monetary reward	Chief Procurement Officer (CPO) Other C-suite Officer	No indicator for incentivized performance	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. 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.
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## F4.4

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

Yes (you may attach the report – this is optional)

## 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.**

### Row 1

#### Scope

Company-wide

#### Commodity coverage

General forests policy covering all commodities

#### Content

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 dependency on forests  
 Recognition of potential business impact on forests and other natural ecosystems  
 Description of forest risk commodities, parts of the business, and stages of value-chain covered by the policy  
 List of timebound milestones and targets

### Document attachment

 Symrise\_Forest\_Policy\_2022.pdf

### Please explain

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. Our Forest policy and our supplier code of conduct require 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. 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 (as described in our human rights policy) and as part of our RSPO management system, into which the RSPO shared responsibility principles are integrated. Due to the high importance of forests, no exclusions exist.

The forest policy is reviewed annually during our standard management review procedures and has been updated in 2022 to take into account new criteria. Since the previous palm oil policy was integrated in 2021 into our forest policy, one holistic policy now applies to all forest related raw materials. The policy is publicly available online (<https://www.symrise.com/sustainability/reports-policies-standards-audits/>) and valid globally for all sites and value chains.

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 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.

## 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?**

Forest risk commodity

Public commitments made

Palm oil	Yes
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## 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  
 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

### Forest risk countries/areas that the cutoff date applies to

Applied globally

### Reason for selecting cutoff date

Compliance with initiative, please specify  
 RSPO

### Commitment target date

2021-25

### Please explain

In the reporting year we reviewed and updated our policy frameworks and further strengthened the enforcement & implementation of our forest and human rights related policy commitments along 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, biodiversity risk assessments.

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 entire palm oil supply from Southeast Asia with special focus on suppliers from Indonesia. In central Sulawesi, Symrise together with a strategic supplier and NGOs has continued to further 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. The positive outcomes of this project were successfully verified by an ethical sourcing audit conducted by the Union for Ethical Bioproducts in August/September 2022 on Sulawesi.

#### Zero Gross Deforestation/No Net Deforestation

Symrise has engaged within various multi-stakeholder initiatives on forests (OP2B, Nature Action, WBA) to promote forest conservation across our business ecosystem. Zero deforestation commitments were introduced to further suppliers in summer 2022. In central Sulawesi (Indonesia), we have continued in summer 2022 our trainings on soil regeneration for smallholder farmers as a tool to ensure soil fertility and to avoid expansion of cultivation areas into native forests. The positive outcomes of this project were successfully verified by an ethical sourcing audit conducted by the Union for Ethical Bioproducts in August/September 2022 on Sulawesi.

Furthermore, as part of our forest & human rights due diligence system we have also set up a few months ago a grievance mechanism managed by our HQ in Holzminden to enable whistleblowers to anonymously report on deforestation related sustainability issues in our supply chains and to enable us to initiate corrective actions.

#### Integration of the FPIC Principle and Adoption of the ILO principles

We have further analyzed our suppliers with regards to the Nagoya Protocol, which requires FPIC for all raw materials and research samples 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.

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 supplier code of conduct which we rolled out in 2022/23. Additionally, an internal audit at our R&D departments focusing on Nagoya compliance and FPIC adherence was successfully conducted in Q1 2023 without any critical findings.

Restoration and compensation to address past deforestation and/or conversion  
 In the reporting period, Symrise invested (again) in various afforestation projects, including REDD+, to compensate for deforestation and conversion of ecosystems as well as promoting positive forest impacts. The certificates purchased include investments into a high conservation value forests in the northwest of state of Para, Brazil, with high biodiversity richness which is home to multiple threatened plant species. Furthermore, in Madagascar, we invested in tree seedlings which we share with local smallholders for reforestation measures.

## 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>Symrise is highly dependent on natural raw materials for the manufacturing of flavors and fragrances and has a high interest in long-term and sustainable ecosystem conservation.</p> <p>Meeting its responsibility, Symrise took efforts to include more forest-related issues in its long-term business objectives.</p> <p>In 2019, Symrise became one of 19 founding members of the “One Planet Business for Biodiversity” (OP2B) initiative which has meanwhile merged with WBCSD Nature Action Programs. This initiative aims at achieving the UN Convention on Biological Diversity (CBD) 2050 vision of “mankind living in harmony with nature”.</p> <p>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 thrive for “nature positive” by 2030 and to support the full regeneration of nature by 2050, as envisaged by the CBD &amp; 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 &amp; 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 with a 2030 horizon are:</p> <ol style="list-style-type: none"> <li>1. Scaling up regenerative agricultural practices to protect soil health</li> <li>2. Developing product portfolios to boost cultivated biodiversity</li> <li>3. Eliminating deforestation, enhancing the management, restoration and protection of high value natural ecosystems.</li> </ol> <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 biological resources.</p>
Strategy for long-term objectives	Yes, forests-related issues are integrated	11-15	<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 managed on long term resilience &amp; 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 &amp; nature.</p> <p>In the reporting period, a dedicated sustainability &amp; risk team further reviewed our portfolio for long-term environmental impacts and risks. The time horizon for the portfolio assessment is from 2025-2030 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</p>

			<p>operational risks and tipping points for raw material availability to deviate adaptation strategies on a 5-10 years timescale.</p> <p>Example:          In 2022, we have reviewed our strategic biological resources portfolio, including forest based materials, and developed strategies and action plans to ensure a sustainable supply from certified sources. In addition, our global raw material management has continued to identify a portfolio of synthetic substances, serving as a substitute for their risk-related natural counterparts, where long term sustainable supply may still be at stake. We decided to strengthen these synthetic substances within our portfolio even though our long-term business strategy does 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. From Q3 2022 - Q1 2023, our sustainability teams conducted a performance review of our strategic raws portfolio. Despite some challenges, we are on track (&gt;85% in 2023) to meet our 2025 interim target to source all strategic biological resources from sustainable sourcing systems.</p>
Financial planning	Yes, forests-related issues are integrated	11-15	<p>Whenever environmentally sustainable, Symrise increases its efforts to transform from a mainly "chemical" towards a "bio-based" company. This process requires significant financial investments at all scales, including mergers and acquisitions to extend the 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</p>

			<p>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: In the reporting period, we have started a joint project between corporate sustainability and the finance department in order to integrate material sustainability parameters into our OPEX &amp; CAPEX planning systems in order to take into account the environmental objectives of the EU Taxonomy, including its biodiversity related requirements. This enables us to properly allocate and report on investments into biodiversity &amp; forest conservation and to improve short-, mid- and long term financial planning as well as our M&amp;A due diligence processes.</p>
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## F6. Implementation

### F6.1

**(F6.1) Did you have any forests-related timebound and quantifiable targets that were active during the reporting year?**

Yes

#### F6.1a

**(F6.1a) Provide details of your forests-related timebound and quantifiable target(s) and progress made.**

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**Target reference number**

Target 1

**Forest risk commodity**

Palm oil

**Year target was set**

2023

**Target coverage**

Company-wide

**Target category**

Traceability

**Metric**

% of volume traceable to traceability point

**Traceability point**

Plantation

**Third-party certification scheme**

**Base year**

2023

**Base year figure**

0

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

0

**% of target achieved relative to base year [auto-calculated]**

0

**Target status in reporting year**

New

**Is this target linked to a commitment?**

Zero net/gross deforestation

**Please explain**

In the reporting year we have – as a response to the new EU Regulation on Deforestation Free Products – set ourselves the target to re-asses all supply chains of relevant materials (according to Annex 1) in accordance with the provisions and assessment procedures of the EU regulation (Art. 27) and to get documented evidence (due diligence declarations) from all relevant suppliers to demonstrate absence of deforestation within their supply chains and, therefore, compliance with the EU regulation by end of 2025 at latest. Although this target is triggered by an EU regulation, we apply it to the entire Symrise group, because (i) non-EU manufacturing sites can also sell our forest related products to European customers (ii) the target supports our global voluntary sustainability ambitions set out in our forest policy.

Why the target has been chosen:

In light of the EU Regulation on Deforestation free products an increasing number of EU and non-EU customers have requested in the reporting year from Symrise to review and reassess our forest related raw material portfolio and to provide due diligence information and declarations according to the EU directive to make sure that our

ingredients are not associated with deforestation.

How we are planning to meet this target:

In the reporting year we have set up a cross-divisional task-force which assessed the legal scope of the new EU regulation and the legal obligations for companies, who place forest risk commodities and derivatives on the EU market. One of the key obligations for affected companies is to conduct a systematic risk assessment of all materials listed in the EU regulations appendixes on the basis of an assessment approach, which will be published in 2024.

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**Target reference number**

Target 2

**Forest risk commodity**

Palm oil

**Year target was set**

2023

**Target coverage**

Company-wide

**Target category**

Engagement with direct suppliers

**Metric**

% of volume from direct suppliers compliant with your no deforestation and/or conversion commitments

**Traceability point**

**Third-party certification scheme**

**Base year**

2021

**Base year figure**

0

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

92

**% of target achieved relative to base year [auto-calculated]**

92

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

No conversion of natural ecosystems

**Please explain**

In our forest policy as well as in our supplier code of conduct, we have described our criteria for sustainable sourcing of forest related raw materials, which we want to procure our entire supply from sustainable suppliers and (certified) sources until 2025. This includes of course also our annual palm oil demand.

In order to do so, we do not only assess our suppliers with regards to forest issues, but also provide technical support and capacity building in order to make sure that they can comply with our forest related sustainability targets and our zero deforestation goals. Besides engaging our suppliers in the CDP supply chain program, we provide further guidance and support to our suppliers when it comes to improving traceability, our suppliers forest risk assessment or their target setting process.

In the reporting year and according to our supplier compliance assessments, 92% of our suppliers of forest related raw materials (including palm oil) already comply with the critical forest related sustainability criteria described in our supplier code of conduct and our forest policy. Despite we have made initial progress, this performance is still not sufficient and the Symrise sustainability board has therefore instructed our responsible sourcing committee and our purchasing departments to improve performance within the next reporting period through intensified engagement and collaboration with the laggards in our supplier portfolio. In a best-case scenario, we will increase the share of our compliant suppliers to approx. 80% within the next reporting period.

**Target reference number**

Target 3

**Forest risk commodity**

Palm oil

**Year target was set**

2023

**Target coverage**

Company-wide

**Target category**

Engagement with indirect suppliers

**Metric**

Other, please specify

Number of indirect suppliers engaged

**Traceability point****Third-party certification scheme****Base year**

2021

**Base year figure**

0

**Target year**

2025

**Target year figure**

59

**Reporting year figure**

7

**% of target achieved relative to base year [auto-calculated]**

11.8644067797

**Target status in reporting year**

Underway

**Is this target linked to a commitment?**

No conversion of natural ecosystems

**Please explain**

In our forest policy as well as in our supplier code of conduct, we have described our criteria for sustainable sourcing of forest related raw materials, which we completely want to procure from sustainable suppliers and (certified) sources until 2025. This includes of course also our annual palm oil demand.

In order to do so, we do not only assess our direct suppliers with regards to forest issues, but also provide technical support and capacity building in order to make sure that they can fully understand, acknowledge and cascade our forest related sustainability targets and our zero deforestation goals further down the supply chain. Besides engaging our suppliers in the CDP supply chain program, we provide further guidance and support to our suppliers when it comes to improving traceability, our suppliers forest risk assessment or their target setting process.

In the reporting year, we have also directly engaged with 9 indirect suppliers, who are connected with Symrise through traders. Through the provision of scientific and technical guidance we were able to trigger internal forest risk assessments at 7 (out of 9) suppliers, who committed to systematically engage with their suppliers to mitigate forest risks.

Because this exercise was highly valuable to Symrise and our indirect suppliers, we have committed to engage with further 50 indirect suppliers by 2025 and help them to

support our direct suppliers to comply with our forest related sustainability criteria, as described in our supplier COC and our forest policy.

## 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?	Supply chain coverage	Description of traceability system	Exclusions
Palm oil	Yes	Volume from direct and indirect suppliers	<p>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".</p> <p>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 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 sources 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>	Not applicable

			<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 &amp; 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	Countries/areas to which this traceability point applies	% of total production/consumption volume traceable
Palm oil	Mill	Indonesia	57
Palm oil	Mill	Malaysia	31
Palm oil	Mill	Thailand	12

## 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
Palm oil	Yes	71

## F6.3a

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

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**Forest risk commodity**

Palm oil

**Third-party certification scheme**

RSPO (any type)

**Chain-of-custody model used**

Mass balance

**% of total production/consumption volume certified**

70.34

**Form of commodity**

Refined palm oil  
Palm oil derivatives  
Palm kernel oil derivatives

**Volume of production/ consumption certified**

3,826

**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 past reporting period 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) connected to Indonesian PO production were not able to deliver significant volumes of palm based materials in RSPO certified quality and in due time. In the current reporting period, the supply situation has normalized in this regard.

To maintain compliance with our sustainable sourcing targets 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, 71% of our PO/PKO purchases in the reporting period is certified according to RSPO (MB: 70,34%; Segregated 0,66%). 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, >80% of our PO/PKO portfolio can be considered as sustainable.

### **Forest risk commodity**

Palm oil

### **Third-party certification scheme**

RSPO (any type)

### **Chain-of-custody model used**

Segregation

### **% of total production/consumption volume certified**

0.66

### **Form of commodity**

Refined palm oil

Palm oil derivatives

Palm kernel oil derivatives

### **Volume of production/ consumption certified**

46

### **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.

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deliver significant volumes of palm based materials in RSPO certified quality and in due time. In the current reporting period, the supply situation has normalized in this regard.

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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.

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## 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 our 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/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**

91-99%

### **Response to supplier non-compliance**

Retain & engage  
Exclude

### **% of non-compliant suppliers engaged**

100%

### **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 protocol trigger actions depending on severity of

non-compliance. In case of high forest risk, our first step would be to enter 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 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 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

No additional comment.

## 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 smallholders in high-risk	750	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 deforestation and improve supply chain sustainability

			<p>deforestation regions</p> <p>Paying higher prices linked to best agricultural practices</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 &amp; improve soil health and productivity as well as income diversification to support better livelihoods..</p> <p>The results of an on-site audit conducted showed that we and our project partners are on the right track.</p> <p>Currently, the program strategy is under review and may be supplemented with additional sustainability components in the course of Q3-4 2023.</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</p> <ol style="list-style-type: none"> <li>1. provide shadow trees for farming areas under which additional aromatic plants can grow in suitable</li> </ol>
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					<p>microclimates,</p> <p>2. Use future harvests of sustainably cultivated oil palms directly 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 &amp; 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>
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## F6.8

**(F6.8) Indicate if you are working with your direct suppliers to drive action on forests-related issues and if so, provide details of the engagement.**

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**Forest risk commodity**

Palm oil

**Are you working with direct suppliers?**

Yes, working with direct suppliers

**Action(s) on forests-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Capacity building

### **Details of engagement**

- Offering on-site training and technical assistance
- Organizing capacity building events
- Support suppliers to set their own no deforestation/conversion commitments across their entire commodity operation
- Support suppliers to develop public time-bound action plans with clear milestones

### **Description of engagement**

Engagement strategy

In addition to our supply chain mapping activities, we also engage with direct suppliers responsible for >90% (as of end 2022) 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 conducted in the reporting year regular capacity building events, including through the CDP SC program.

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 provide proposals for common supply chain projects focusing on forest issues in the last reporting year.

Example of activities last year:

Regarding the CDP SC program, we provided guidance with answering the questionnaire and the disclosing of the data. By end of 2022, >70% of our strategic suppliers had implemented their own forest risk assessment procedures and set forest-related sustainability targets to address deforestation and forest degradation.

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. In addition, a dedicated team from sustainable supply chain management has evaluated further options to invest in forest related supply chains and to expand our partnerships with selected suppliers and public development agencies. Final intervention decisions will be taken by end of 2023 at latest.

### **% of suppliers engaged by procurement spend covered by engagement**

90

### **Explain the impact of your engagement on the selected action**

By engaging with our suppliers on deforestation issues, e.g. through dissemination of technical information, participation in the CDP supply chain program, joint supply chain pilot projects or or product specific innovations to reduce deforestation, we raise their

awareness on the importance of intact forests and on the need to ensure deforestation free supply chains.

As many suppliers would be overwhelmed to do this journey alone, we can provide guidance, step-by-step instructions and valuable insights to enable them setting their own targets, to increase traceability and supply chain transparency. If our suppliers recognize the advantages of a profound reporting on forest issues, e.g. through CDP, they again request their suppliers to set targets and implement transparent monitoring systems. This domino effect can in the long-term result in deforestation-free supply chains as all stakeholders along the whole value chain have an internal aspiration to fulfil the forest-related expectations of their stakeholders, including Symrise. As our ongoing supplier dialogues have shown, the forest related supporting services provided by Symrise have been highly appreciated by our suppliers and considered as very useful to increase dialogue and transparency and to further cascade our own forest related sustainability requirements down the value chain.

**Is this engagement helping your suppliers engage with their suppliers on the selected action?**

Yes

**Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s)

Target 2

## F6.9

**(F6.9) Indicate if you are working beyond your first-tier supplier(s) to drive action on forests-related issues, and if so, provide details of the engagement.**

---

**Forest risk commodity**

Palm oil

**Are you working beyond first tier?**

Yes, working beyond first tier

**Action(s) on forest-related issues driven by engagement**

Ending deforestation and/or conversion of other ecosystems

**Type of engagement**

Capacity building

**Details of engagement**

Offering on-site training and technical assistance

**Description of engagement**

Indirect engagement beyond 1st tier suppliers:

One of our 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

-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.

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.

Direct engagement with indirect suppliers:

In Indonesia, we have set up and invested into a supply chain intervention program with a strategic supplier as a pilot project where we provide training and capacity building for >700 smallholders contracted by our supplier 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 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 Biobased Trade, (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 biobased principles and criteria (incl. sustainable forest management).

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 have been translated into a workplan, which takes special consideration of biodiversity and which is currently under implementation.

### **Explain the impact of your engagement on the selected action**

Thanks to our described efforts to cascade forest related sustainability requirements down the value chain, more than 2/3 of our strategic suppliers have implemented their own forest policies and have reported to Symrise that they were able to cascade further forest related targets down the value chain.

Regarding our supply chain intervention project, we have meanwhile provided trainings in good agricultural practices to more than 700 smallholder farmers (indirect suppliers), conducted a 3rd party audit of our activities and currently work on the auditors' recommendations, incl. the development of a biodiversity action plan, which will be finalized in the course of 2023.

### **Does this engagement contribute to achieving a reported target?**

Yes, please specify target ID(s)

Target 3

## **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?	Primary reason for not engaging in landscape and/or jurisdictional approaches	Explain why your organization does not engage in landscape/jurisdictional approaches, and describe plans to engage in the future
Row 1	No, we do not engage in landscape/jurisdictional approaches, but we plan to in the next two years	Important, but not an immediate priority	For engaging in landscape or jurisdictional approaches that have a positive impact on the smallholders on the palm-oil plantations, Symrise must as a first step improve the company's database on the exact locations of the areas, we are sourcing from. Even though there is existing data on the mills, our palm fruits are processed, this does not automatically imply that the plantations are in the same location. Our goal is to implement jurisdictional approaches that support the local palm oil smallholders and increase their livelihood. Therefore, engaging in a project that can not guarantee us to have that positive impact on the relevant smallholders is not sufficient for us. We already have a lot of positive experience with jurisdictional approaches from other commodities (e.g. vanilla, patchouli, etc.) where the relevant areas are known and we have the internal aspiration to provide these kinds of projects as well for our palm oil areas. Therefore, we are at the moment optimizing our monitoring system to increase transparency back to the plantation. As soon as this transparency is guaranteed, we start evaluation different projects and implement those with be highest benefit for the local population.

## 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.

## F6.12

**(F6.12) Is your organization supporting or implementing project(s) focused on ecosystem restoration and long-term 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).**

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### Project reference

Project 1

### Project type

Natural regeneration

**Expected benefits of project**

- Increase in carbon sequestration
- Net gain in biodiversity and ecosystem integrity
- Protection of human rights
- Reduce/halt biodiversity loss

**Is this project originating any carbon credits?**

No

**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.

**Where is the project taking place in relation to your value chain?**

Project based in sourcing area(s)

**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

**Total investment over the project period (currency)**

2,500,000

**For which of your expected benefits are you monitoring progress?**

Increase in carbon sequestration

Reduce/halt biodiversity loss

**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 600,000 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 CO<sub>2</sub> per tree and year (conservative estimation due to literature), a total of 5,000 tones CO<sub>2</sub> captured due to the project each year can be assumed. In addition to that, in 2022 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 CO<sub>2</sub> 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 reporting year, we 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 remains a 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.**

For additional information please see our Corporate Report 2022 "Creating resources with a circular economy"

### 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	4,618,000,000

## 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 customer specific 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 customer specific 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 customer specific 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 customer specific 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 customer specific 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**

Other, please specify

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

**Please explain**

---

**Requesting member**

Altria Group, Inc.

**Forest risk commodity**

Palm oil

**Primary reason**

Other, please specify

We are happy to share the customer specific 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

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

Yes, but not willing to share details

**Please explain**

Product specific data 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

**Please confirm below**

I have read and accept the applicable Terms