

always
inspiring more...

symrise 

Sharing Values

thinking *beyond tomorrow*



Corporate Report 2021



Florian Herkner is driving the development of vegan and vegetarian products at Symrise.

(Cover image) Eloa Castelucci (left) and Mariana Martins work hard in Brazil on the SymHouse, which intertwines business and environmental commitment.

“Beyond tomorrow” is the opposite of going for a flash in the pan. It means taking the long-term perspective, having the prudence and mindfulness that allows people at Symrise to make a difference. The pandemic has taught us that it’s not enough to think just about tomorrow – we have to look further. “Beyond tomorrow” expresses the deep conviction that Symrise always takes responsibility for the environment and society in all its decisions, because the lasting success of all is the only thing that counts.

KEY FIGURES OF THE GROUP		2017	2018	2019 ¹	2020	2021
Business						
Sales	€ million	2,996.3	3,154.0	3,407.9	3,520.5	3,825.7
EBITDA ²	€ million	630.3	630.5	701.4	742.1	813.6
EBITDA margin ²	in %	21.0	20.0	20.6	21.1	21.3
EBIT ²	€ million	431.6	434.0	471.6	487.5	559.0
EBIT margin ²	in %	14.4	13.8	13.8	13.8	14.6
Net income ²	€ million	270.3	275.3	296.2	306.9	374.9
Balance sheet total (as of December 31)	€ million	4,674.6	4,920.4	5,953.1	5,939.8	6,642.7
Capital ratio (as of December 31)	in %	37.8	39.5	41.3	39.8	49.0
Investments (without M & A)	€ million	204.9	226.1	181.6	158.5	173.7
Net debt (incl. pension provisions and similar obligations) / EBITDA (as of December 31) ²	ratio	3.0	3.0	3.2	2.7	2.4
Research and development expenses ²	€ million	196.4	200.4	213.4	212.3	220.7
Operating cash flow	€ million	396.2	441.8	546.8	635.7	521.6
Capital Market						
Shares issued as of balance sheet date	millions	129.8	129.8	135.4	135.4	139.8
Share price at end of fiscal year (Xetra® closing price)	in €	71.62	64.50	93.80	108.40	130.30
Market capitalization at end of fiscal year	€ million	9,297.2	8,372.9	12,703.0	14,680.2	18,212.3
Earnings per share ^{2,3}	in €	2.08	2.12	2.20	2.27	2.74
Dividend per share	in €	0.88	0.90	0.95	0.97	1.02 ⁴

1 2019 restated for finalized ADF / IDF purchase price allocation

2 Figures for 2019 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations

3 Figures for 2021 based on weighted average number of shares for full year 2021 at 136,633,677

4 Proposal

OUR FIVE GOAL DIMENSIONS		2019	2020	2021	Goal 2025
Business					
Organic sales growth	in %	5.7	2.7	9.6	5 – 7 (CAGR)
EBITDA(N) margin ¹	in %	20.6	21.1	21.3	20 – 23
Footprint (environment)					
Eco-efficiency of greenhouse gas emissions (Scope 1+2) ²	in %	7.2	13.0	11.3	6.6 p.a.
Eco-efficiency of greenhouse gas emissions (Scope 3) ²	in %			4.0	3.0 p.a.
Eco-efficiency of chemical oxygen demand in wastewater ²	in %	-3.2	-22.6	34.8	4.0 p.a.
Eco-efficiency of sensitive waste ²	in %	3.9	19.8	2.2	4.0 p.a.
Water consumption ³	in %	3.2	-3.1	7.2	- 3.0 p.a.
Innovation					
Sales with new product developments ⁴	in %	16.4	15.4	16.7	> 15.0
Sourcing					
Suppliers rated according to sustainability criteria ⁵	in %	100	67	73	100
Sustainable sourcing of strategic biological raw materials	in %		72	84	100
Care (employees)					
Women in the first management level	in %	24	28	20	30
Women in the second management level	in %	41	42	38	45
Accident frequency	MAQ ⁶	4.3	3.0	3.8	< 1.5

1 Figures for 2019 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations

2 All figures relative to the value added

3 Production sites in arid regions (2018 – 2025 reduction by a total of 15%)

4 Relative to market launch in the past three years

5 Based on 80% (until 2020) or 90% (from 2021) of the procurement volume

6 MAQ = work accidents (> 1 lost day) × 1 million/working hours; industry-leading occupational safety as of 2025

About Symrise

Symrise has been growing strongly and profitably for years. This is because we think long-term and we offer our customers sustainable, innovative solutions for healthy nutrition and modern personal care. We tap into new fields of business and combine our traditional strengths in fragrances and flavors with the trends that will meet the needs of consumers tomorrow and beyond. Our integrated corporate strategy brings our economic ambitions in harmony with our responsibility for nature and biodiversity, the environment and climate, humans and animals. Our long-term value creation benefits all the stakeholders of the company.



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Value-adding

Farmers in Indonesia and other countries grow cloves, which Symrise uses sustainably, just as it does many other natural substances.

“Creating added value” p. 86

Holistic

The microorganisms that live in and on human beings comprise the human microbiome. Symrise has researched their complex interactions for product development.

“The human as eco-system” p. 64

Diverse

Symrise sources its natural raw materials from all continents, which are then processed into taste solutions. In this process, the flavorists – trained by Symrise at its own academy – play a crucial role.

“Taste can be learned” p. 42



Transparent

Symrise sources thousands of natural raw materials from all over the world, such as vanilla from Madagascar, where the company has established a backward-integrated value chain that is a model for many other countries.

“Responsible sourcing” p. 110





Comprehensive

Ginger is just one of many natural raw materials that Symrise uses in various divisions. Increasingly, the divisions are learning from each other how to improve processes and products.

“Vegetable diversity” p. 76

Optimized

More and more fragrance ingredients are made to be biodegradable and come from natural sources. In this area, too, Symrise is using new processes to make the entire production process more sustainable.

“Everything flows” p. 70



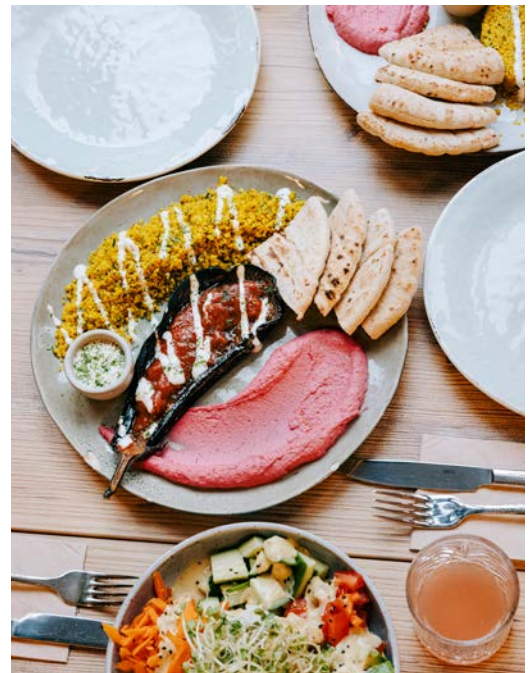


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One raw material, many uses: Three experts from different divisions discuss synergies.

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Biodegradable fragrance ingredients from nature: To achieve this goal, Symrise relies on methods that include green chemistry.



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A rapidly expanding global market: Vegan and vegetarian alternatives to meat, fish and dairy products are booming.

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In its own academy for flavorists, Symrise trains experts for three years who later work successfully in product development.



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Symrise has developed special products to focus on the human microbiome. This offers unimagined possibilities.

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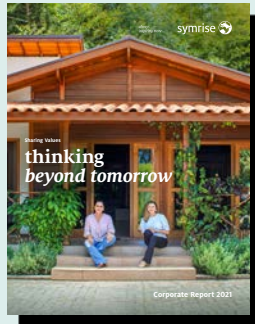
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Symrise Reporting 2021



CORPORATE REPORT

About our company –
facts, reports, insights



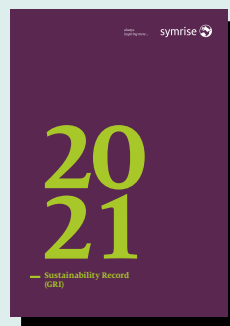
FINANCIAL REPORT

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



SEPARATE FINANCIAL STATEMENTS

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



GRI SUSTAINABILITY RECORD (PDF)

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



REMUNERATION REPORT

for the 2021 fiscal year
in accordance with
Section 162 of the German Stock
Corporation Act (AktG)



CORPORATE REPORT AND SHORTENED FINANCIAL REPORT

Online at:
www.symrise.com/corporatereport/2021/

Dear readers and friends of Symrise!

Long-term thinking is one of the main pillars of the corporate strategy of Symrise. In a world that is changing rapidly and dramatically, we firmly see that as a decisive condition for a successful development of the company. Climate protection, the conservation of natural resources, and living and working responsibly are becoming more influential in determining the social agenda. This is how Symrise actively supports the principles of responsible management enshrined in the United Nations Global Compact. In addition, there is a stronger focus on meeting the basic needs of people – for example nutrition and health – in a reliable manner. And digitalization and innovation are also very advanced and directly influence everyone’s life. Symrise strives to seize with determination the opportunities created by this transformation and to allow its customers, employees, shareholders and other stakeholders of the company to use them. Thinking beyond tomorrow.

Symrise stands out from its competitors through the breadth and depth of its business portfolio. Many years ago, we became the first company in the industry to begin moving into new business areas outside the traditional fragrance and flavor industry and tap into additional growth potential. A targeted backward integration for strategic raw materials guarantees a traceable, reliable and consistently high-quality supply. In order to harness the synergies of our portfolio to an even greater extent, we merged the Flavor and Nutrition business units into a new segment called Taste, Nutrition & Health in April, 2021. This way, we are better positioned to offer our customers integrated product solutions for taste, nutrition, well-being and health. A joint research pipeline, comprehensive customer support and synergies in the supply chain promote the growth and profitability of our activities.

The 2021 fiscal year was also full of success for Symrise. We reached strong organic sales growth of 9.6 % and the EBITDA margin reached 21.3 %. Because of our long-term growth momentum, the Symrise share rose in the leading German index DAX®. Furthermore, we were recognized by the renowned international organization CDP for our commitment to protecting climate, water and forests with the triple highest score of “AAA” – the only company in Germany to achieve this and one of only 14 worldwide. The guidelines of our company – our corporate values, our purpose, our integrated corporate strategy – as well as the description of many large and small projects which form the foundation of our success may be found in our Corporate Report for 2021.

Sincerely,

The Executive Board of Symrise AG



Dr. Heinz-Jürgen Bertram
Chief Executive Officer,
President Scent & Care



Olaf Klinger
CFO



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



Our Company



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Our company

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

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■ Symrise develops, produces and sells fragrance, flavoring and food ingredients, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products. Our company's approximately 34,000 products are mainly produced on the basis of natural raw materials like vanilla, citrus fruits, onions, fish, meat, blossoms and plant materials. Our flavors, substances, perfume oils and sensory solutions are often central functional components for our customers' end products. These customers include manufacturers of perfumes, cosmetics and foods, the pharmaceutical industry and producers of nutritional supplements, pet food and baby food.

Our company's origins go back to the year 1874. Symrise has since grown to achieve a current market share of 10% – making it one of the leading suppliers of flavors and fragrances as well as nutrition in the global market. A high level of innovation and creativity, an exact knowledge of customer needs and various regional consumer preferences as well as targeted expansion into new and promising market segments contribute to our company's above-average growth rate. Today, Symrise has over 11,000 employees working at more than 100 sites around the world who serve over 6,000 customers in more than 150 countries.

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

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

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

Our impact

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



Business

- Increase company value for shareholders
- Reliable debt servicing to lenders
- Financing future-oriented investments through strong cash flow



Footprint

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



Innovation

- Drivers of innovation and progress
- Acceleration of digital transformation



Products and product solutions

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



Care

- Ensure and expand attractive job positions for our employees
- Investments in training and education of young people
- Improve living conditions in producing countries
- Donations for and sponsoring of social projects worldwide

Our Resources



BUSINESS

Equity:

3,252 € mill.

Debt capital:

1,696 € mill.

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

174 € mill.



FOOTPRINT

Energy consumption:

7,205

terajoules

Water consumption:

6,524

thousand m³

Symrise suppliers save

190 € mill.

from emission reduction initiatives



INNOVATION

Expenses for research and development:

221 € mill.

Number of employees in research and development:

1,933

Number of research partners:

> 50



SOURCING

1,660

€ mill. procurement volume

Approx.

10,000

natural and synthetic raw materials from over 100 countries

72.7 %

Share of main suppliers based on 90 % of purchasing volume rated according to sustainability criteria



CARE

Number of employees:

11,276

(including trainees and apprentices)

Over

60

Number of home countries of employees at Symrise

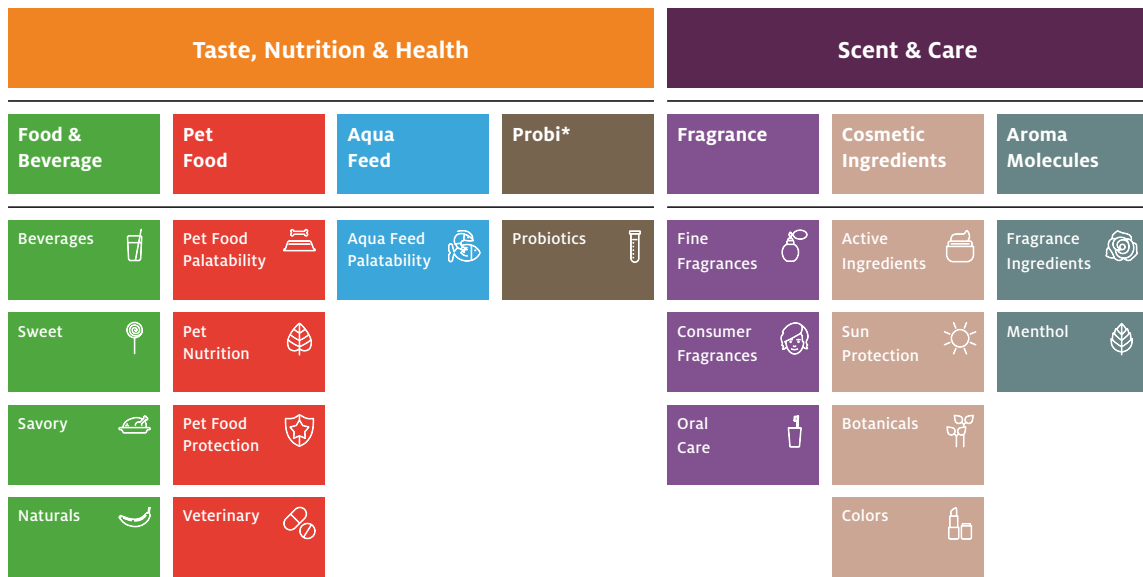
Proportion of women:

20% first management level

38% second management level



Our Application Areas



* Majority shareholders in the Swedish company Probi AB.

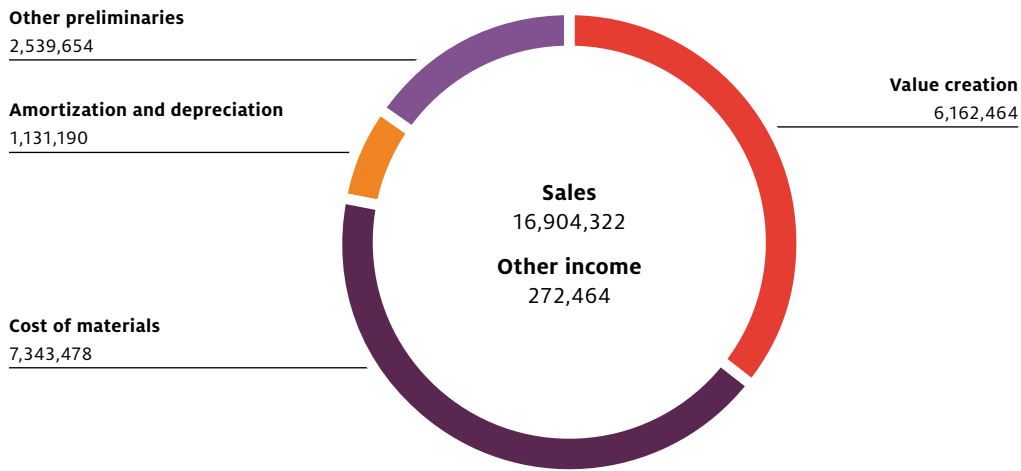
Taste, nutrition, health and well-being, as well as scent, care and good looks – Symrise provides sustainable solutions using natural base materials.

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

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

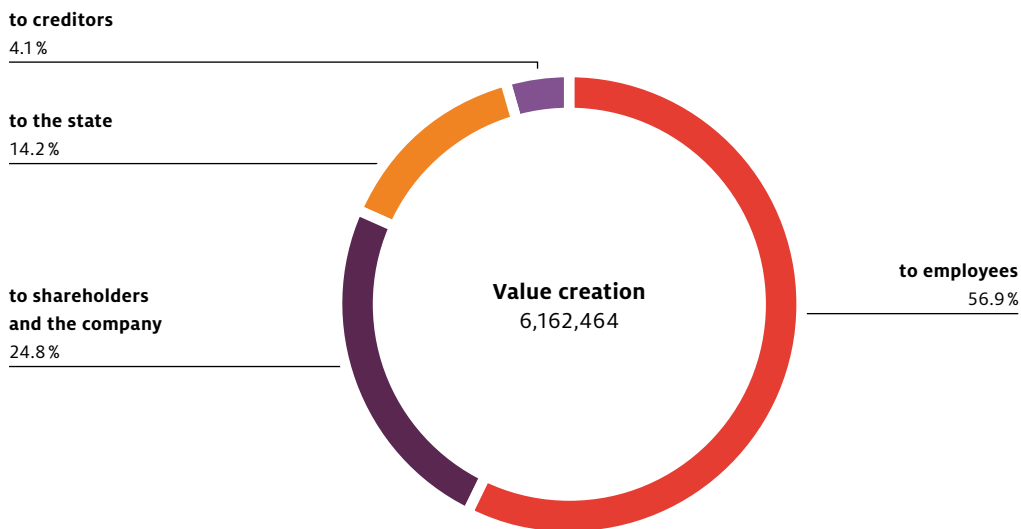
Our Value Creation

2017 – 2021 in thousand €



Value added

OUR VALUE CREATION / OUR RESULTS









Use

From 2017 to 2021 alone, Symrise generated added value totaling € 6.2 billion on cumulative sales revenues of € 16.9 billion. We use a wide variety of resources to generate value for many stakeholder groups as part of our proven, future-oriented business model. We're aware of the fact that our company bears respon-




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

Our Results

<p>Sales:</p> <p>3,826 € mill.</p>	<p>EBITDA:</p> <p>814 € mill.</p>	<p>Net income:</p> <p>375 € mill.</p>	<p>BUSINESS</p> 
<p>Carbon dioxide emissions:</p> <p>285,332 tons – Scope 1</p> <p>2,327 tons – Scope 2</p> <p>1,676,583 tons – Scope 3</p>	<p>Wastewater:</p> <p>4,276 thousand m³ Total wastewater volume</p> <p>5,303 tons Chemical oxygen demand</p>	<p>Sensitive waste:</p> <p>15,393 tons</p>	<p>FOOTPRINT</p> 
	<p>42</p> <p>Number of patents submitted</p>	<p>16.7 %</p> <p>Share of sales from new product developments</p>	<p>INNOVATION</p> 
<p>Approx.</p> <p>34,000</p> <p>products for over 6,000 customers, in more than 150 countries</p>	<p>85 %</p> <p>of our suppliers¹ are reporting operational GHG emissions</p>	<p>70 %</p> <p>of our suppliers¹ integrate water into their strategy and long-term business objectives</p>	<p>PRODUCTS AND SOLUTIONS</p> 
<p>45 %</p> <p>of all promotions go to women</p>	<p>37 %</p> <p>of our employees have been with Symrise for 10 years or longer</p>	<p>116</p> <p>employees posted abroad ensure the global transfer of our expertise</p>	<p>CARE</p> 

¹ Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program.



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



Sharing values

At Symrise, shared values form the basis for shared goals: We strive for economic success and, at the same time, actively embrace our responsibility to the environment and climate, our employees and society. Sustainability is an integral part of our business model. Our long-term value creation benefits all the stakeholders of the company.

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



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



Excellence: Outstanding performance for customers, consumers and markets.



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



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



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



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

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

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

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

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

Symrise – always inspiring more

Our Purpose



Our identity *Who we are*

Products that appeal to the senses.

Ingredients that are healthy and tasty for the nutrition of people and animals.

Perfume compositions and cosmetics solutions that offer added value with innovative and active ingredients.

We look to the future, take heed of trends and pay attention to what our customers and consumers want. We are continuously expanding our portfolio and collecting knowledge. We secure our economic success by developing solutions that are sustainable in the long term – while keeping our sights on the environment.

And we are proud:

Of our international, highly diverse team, which is on all continents and in all markets. Every team member plays an active role through their entrepreneurial spirit and visionary ideas.

Of the 10,000 raw materials produced around the world through our close cooperation with manufacturers and – where possible and sensible – integrated backward into our value chain.

Of our processes that are both scientifically and economically excellent.

Of our 34,000 innovative products that offer renowned brands an unmistakable character and added value.

And of course we are proud of our commitment to more climate protection, biodiversity and social equality. Because for us, acting sustainably is not only a duty but an aspiration to operate successfully.

The world of the future *That moves us all*

People want to meet their basic needs in a safe and reliable way, they need to eat and drink, want to look after themselves and enjoy their lives. But we only have limited resources.

Furthermore, the economy is global – and still it is marked by many regional and even local features in many respects. This is also due in great part to digitalization, which makes many aspects clearer and more individual and ensures greater speed – to which companies must adjust their processes.

Last but not least, the preferences of consumers are also changing rapidly. There has not been a “one-size-fits-all” solution for quite some time now. People demand products that have the smallest possible impact on the environment and simultaneously have a positive effect on all areas of life.

Our commitment *How we think and act*

We must work as a team along the entire value chain. That applies to us at Symrise, where we cooperate in a cross-business manner, work together to unlock potential and produce sustainably.

And we don't differentiate when it comes to our partners. We work together with our suppliers and partners on equal footing and based on trust in order to reach our common goals. In doing so, we keep our focus on people – the consumers. They tell us what they want and we deliver the best solutions.

And we always act guided by the core of our business model: We want to sustainably ensure the protection of biological diversity. At the same time, we observe our social responsibility toward people and animals. Because only then can we continue to be successful.

Our integrated corporate strategy

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

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Companies are first and foremost economic entities. They meet demand in a wide variety of markets, combine input factors to produce outputs, generate profits and meet the return requirements of capital providers. This traditional understanding of the company is still fundamentally correct, but incomplete. After all, the world population that needs to be fed is approaching the eight billion mark, the effects of global warming are becoming increasingly dramatic, and the natural resources of our planet are being plundered unabated. We – and this also applies to companies – must meet these challenges. Companies are only socially accepted and viable if they go beyond their economic function to contribute to sustainability, thus forming part of the solution rather than part of the problem.

The Symrise business model is based on the diversity of nature. We manufacture our approximately 34,000 products based on around 10,000 – mostly natural – raw materials such as vanilla, citrus products and flower and plant materials. Nature is a source of inspiration and innovation for us. Symrise has therefore always been committed to protecting biodiversity. Going far beyond this, we aim to increase our sustainability performance along the entire value chain. We set a milestone in our sustainability concept in 2020 with the goal of having climate-positive operations starting in 2030. From this point forward, the business activities of Symrise are expected

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

The integrated corporate strategy at Symrise links our economic ambitions with the commitment to our four sustainability approaches:



Environment / climate:

Minimization of our environmental footprint



Innovation:

Maximization of the environmental added value of our products



Sourcing:

Maximization of the sustainability of our supply chain



Employees / society:

Creation of lasting value for all stakeholders



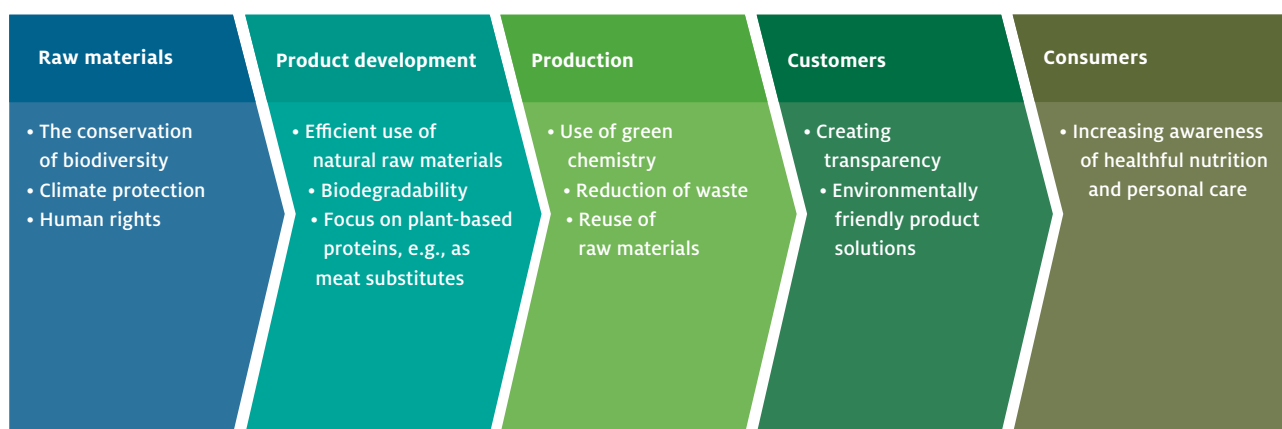
In economic terms, Symrise focuses on the three drivers of growth, efficiency and the portfolio. In order to gain market share, we aim to achieve above-average organic sales growth of 5–7% (CAGR). One lever here is early and vigorous engagement in rapidly expanding emerging markets. For example, Symrise has been present in Brazil since 1956, in China since 1982 and in India since 1994. In addition, we want to further deepen the collaboration with our customers by bringing our broad product range to them in an even more targeted manner. Furthermore, we make sure that we remain innovation leaders in our core competencies. To support its growth course, in 2021 Symrise made investments of € 174 million in property, plant and equipment and intangible fixed assets (excluding acquisitions). These include the construction of a pet food production plant and a new development and application center for Taste, Nutrition & Health in China, a new pet food production plant in Brazil and expansion of Scent & Care activities in Spain. Growth investments that also serve to reduce greenhouse gas emissions included the construction of new heating and cooling

facilities at ADF/IDF in the USA, a modern energy system in France, and the expansion of cogeneration capabilities at the headquarters in Holzminden.

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

SYMRISE'S INTEGRATED CORPORATE STRATEGY

Sustainability along the value chain



Our activities along the value chain are connected to impacts and particular areas of influence on specific global Sustainable Development Goals (SDGs). Our corporate strategy is geared toward the SDGs especially relevant for Symrise (SDG 8, 13, 14, 15, 17). For further information on our contribution to the SDGs, see the “Sustainability & Responsibility” chapter on page 98 and our corporate website.

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

What will our customers and global consumers want and need tomorrow, or the day after? Which of our products can achieve above-average margins thanks to our innovative strength and our expertise in sustainable product solutions? Which business areas outside the traditional fragrance and flavor industry are opening up new growth potential? The third pillar of our integrated corporate strategy – continuous optimization of our business portfolio – addresses these questions. While the traditional Flavor and Fragrance markets are growing very solidly at an average of 3–4% per year, the pet food market, for example, is expanding at an annual rate of 7–8%. Symrise was the first company in the industry to begin moving into neighboring business areas years ago. Today, we generate a good 30% of our sales in new divisions. We aim to increase this proportion to over 50% over the next few years, for growth and profitability. Additional acquisitions

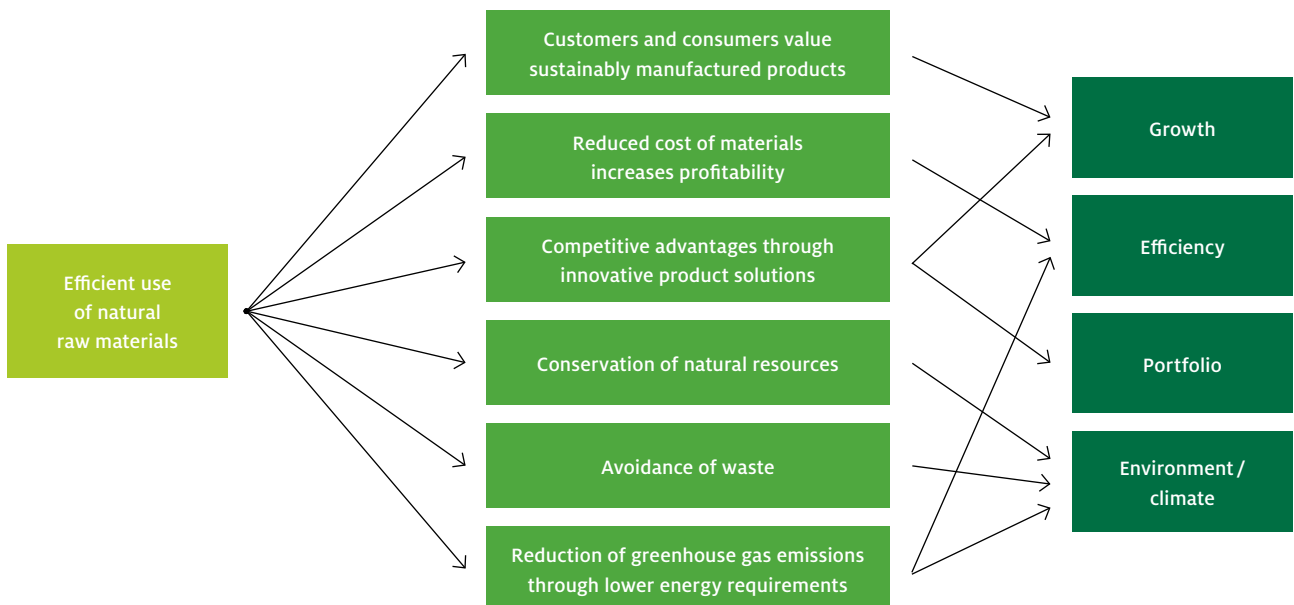


The market for pet food is expanding every year by 7–8%.

and partnerships support this path of expansion, such as the strategic investment in the Malmö-based company Swedencare, a supplier of health products and nutritional supplements for pets, in the summer of 2021.

A SET SCREW – MULTIDIMENSIONAL EFFECT

One of many examples



30%

of sales are already achieved in new business areas.

50%

it should reach over the next few years, for growth and profitability.

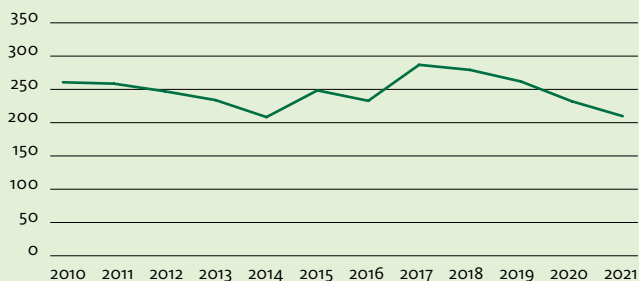
A strategic course set in 2021 pays into all three elements – growth, efficiency and the portfolio. Since April last year, we have combined the two divisions of Flavor and Nutrition to form a new Taste, Nutrition & Health segment under single management. Its focus is on product solutions that combine taste, nutrition, wellness and health in food, beverage, pet food and aquaculture applications. The levers bringing us closer to our goals are expansion of the product range, a focus on a joint research pipeline, cross-coordinated customer support, and additional synergies in the supply chain and in the internal organization.

Our integrated corporate strategy combines dynamic growth, sustained high profitability and continuous, tangible improvement in our sustainability performance. Additionally, the core function of corporate financing has incorporated sustainability aspects since May 2021. For the first time, Symrise agreed on a revolving line of credit with a specific sustainability component in the spirit of “green finance.” Its interest margin is linked to the reduction of greenhouse gas emissions, responsible procurement practices and efficient water consumption. The € 500 million credit line is being used to finance strategic growth initiatives. Growth, profitability and sustainability will determine the future of our company.

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

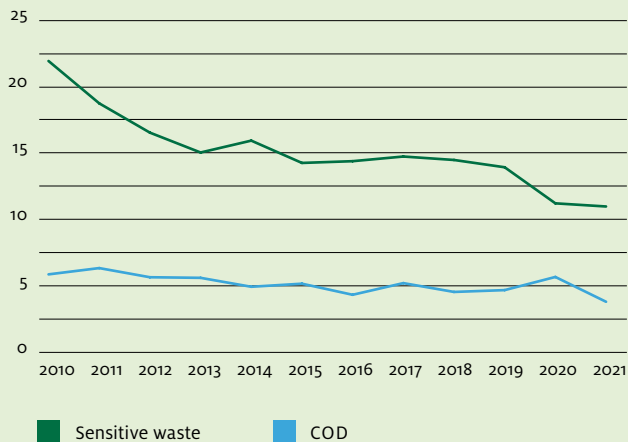
GREENHOUSE GAS EMISSIONS

CO₂ (t)/€ million of added value



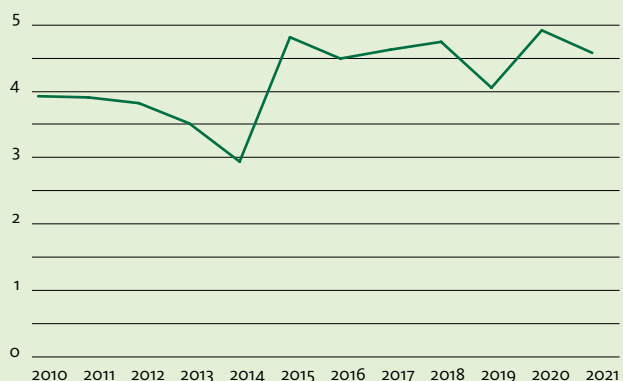
SENSITIVE WASTE AND CHEMICAL OXYGEN DEMAND

(t)/€ million of added value



WATER CONSUMPTION

(m³)/€ million of added value



2021 track record and 2025 goals

For Symrise, success means more than sales and profit. As we think long-term, we pursue an integrated corporate strategy and also want to make a contribution to climate protection, reduce the impact of our business activities on the environment to the best extent possible and meet our responsibility to employees and society. That determines our success and our goals.

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2021 was dominated by several burdens and risks: The impact of the coronavirus pandemic continued to have a stranglehold on the world, natural catastrophes caused widespread damage and suffering, and international political tensions increased. For Symrise, the year was also not off to a good start: At the end of 2020, we were victims of a criminal cyberattack, which caused considerable disruption to business operations well into 2021. Taking all of this into consideration, we see the business results that we achieved in 2021 alongside all of our employees as a great success. Our sales grew organically by 9.6% thanks to the contribution of all divisions and regions. With an EBITDA margin of 21.3%, Symrise continues to be one of the most profitable companies in this industry. At the same time, we boosted our sustainability

performance in many ways. Our five goal dimensions cover the requirements for non-financial corporate reporting in accordance with the CSR Directive Implementation Act (see “Sustainability & Responsibility” chapter, page 98, or www.symrise.com/sustainability).

We’re well on the way to reaching our goals for 2025. We’ve established and are consistently implementing concrete measures based on our integrated corporate strategy across all areas of our corporate activities. With annual growth of 5 to 7%, we want our sales to be in the area of € 5.5 to 6.0 billion. The increase in eco-efficiency of greenhouse gas emissions by 63% represents an important intermediate step toward our goal of becoming climate-positive across the Group starting in 2030.



BUSINESS

2021 TRACK RECORD	NOTES	GOALS 2025	NOTES
9.6% organic sales growth	We exceeded our goals and the forecast.	5–7% CAGR	We want to grow faster than the market overall. This allows us to gain market shares and increase the distance between us and smaller competitors.
21.3% EBITDA margin	We achieved our goals and continue to be one of the most profitable companies in the industry.	20–23%	We improve our profitability by continually increasing efficiency and optimizing the product mix.



FOOTPRINT

+11.3% increase in eco-efficiency of greenhouse gas emissions (Scope 1 + 2) ¹	We are fully on track to reach our 2025 and 2030 goals.	We were ahead of schedule in achieving our goal for 2020 of reducing greenhouse gas emissions by 33% compared with 2010. We have now set for ourselves the 2025 goal of increasing the eco-efficiency of emissions by more than 60% compared to 2016. ¹	We aim to be climate-positive by 2030, primarily by increasing energy and process efficiency at our production sites and by supporting high-quality and certified climate protection projects.
+4.0% increase in eco-efficiency of greenhouse gas emissions (Scope 3) ¹		Between 2016 and 2020, we were able to reduce Scope 3 greenhouse gas emissions by 36%. By 2025, we want to increase the eco-efficiency of emissions by more than 15% compared to 2020. ¹	Through process optimization and with the help of our suppliers and customers, we want to reduce greenhouse gas emissions all along our value chain.
+34.8% increase in eco-efficiency of the chemical oxygen demand in wastewater ¹	We have almost halved COD at the Jacksonville site in the United States.	Increase the eco-efficiency of the chemical oxygen demand in wastewater by 4% annually by 2025 or by a total of 60% in relation to base year 2010. ¹	We are increasing the yield of our products by changing our processes to sustainable methods.
+2.2% increase in eco-efficiency of sensitive waste ¹	The commissioning of an additional site in China caused us to just narrowly miss our goal.	Increase the eco-efficiency of sensitive waste by 4% annually by 2025 or by a total of 60% compared to base year 2010. ¹	We will use exclusively sustainable packaging materials by 2025 and recycle over 95% of the plastic we use wherever possible.
+7.2% increase of water consumption in Egypt, India and Mexico	Due to a rise in production volumes of 13.7%, water consumption has increased in arid regions.	Reduction of water consumption by 15% at all production sites in arid regions (2018–2025).	We continually reduce our water consumption by using water-saving technology and raising awareness in our company of the importance of using less.



INNOVATION

16.7% of sales from new product developments ²	We exceeded our target amount of > 15% once again.	Each year we develop new products that are consistent with sustainability criteria, and these products account for a share of sales of more than 15% over the past three years.	Networking the highly diverse areas of expertise of Taste, Nutrition & Health and Scent & Care
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SOURCING

72.7% of our suppliers (90% of the procurement volume) are assessed according to sustainability criteria ³		100% of our suppliers (90% of the procurement volume) are assessed according to sustainability criteria. ³	In preparation for Germany's Supply Chain Due Diligence Act
83.6% of strategic biological raw materials are derived from sustainable sources		100% sustainable sourcing of all strategic biological raw materials by 2025	We aim for sustainability in the supply chain by continuing to strengthen our backward integration, intensifying cooperation with suppliers and initiating joint supply chain projects and programs.



CARE

20% women in the first management level	Temporary decrease due to the formation of the new Taste, Nutrition & Health segment, which reduced the absolute number of management positions.	Increase the percentage of women in the first management level to 30% by 2025.	We believe in strong, diverse leadership and offer good advancement opportunities for women.
38% women in the second management level		Increase the percentage of women in the second management level to 45% by 2025.	We promote the career development of women and provide them with freedom so they can balance career and family.
3.8 MAQ ⁴ accident frequency	The MAQ rate increased this year and the set target was missed.	Industry-leading occupational safety <1.5 MAQ	Continuous implementation of a zero-accident culture through company-wide initiatives and training. To help improve occupational safety, we launched the SymSafe project in 2021.

1 All figures relative to the value added
2 Relative to market launch in the past three years

3 Environment, labor, human rights, health & safety, business integrity, ethics, sustainable procurement
4 MAQ = work accidents (> 1 lost day) x 1 million/working hours



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ESG-CRITERIA

Symrise has defined its ESG (environmental, social, governance) performance as an important measure of success for all its business divisions. Each story in this magazine covers one or more of the focus areas that the company has derived from the ESG criteria: “society”, “good corporate governance”, “biodiversity”, “climate” and “innovation and development.”



thinking
beyond
tomorrow

The 2021 business figures confirm: Symrise is on the right track and has grown for the 16th year in a row. A long-term perspective will continue to guarantee the company's success. The groundwork for this has been laid and the Group will follow the strategy consistently, according to CEO Dr. Heinz-Jürgen Bertram.

GOOD CORPORATE GOVERNANCE



Dr. Bertram, we've now had the second year of COVID-19.

How was it for Symrise?

■ We continued on our chosen course and with an amazing organic growth rate of 9.6%, we reached sales of € 3.8 billion. We even achieved our goals for the EBITDA margin, which got to 21.3%. This means that we are still exactly within the medium-term targets we set for 2025: We want to grow by 5 to 7% – much faster than the competition – with profitability of 20 to 23% and sales of € 5.5 to 6.0 billion by the end of the 2025 fiscal year.

You're already looking a few years ahead with the first question. Why?

■ If we've learned anything from the last few years, it's this: We can't just think about the next day, we have to think about the long term to be ready to act at any time. The title of this year's Corporate Report makes exactly this clear: "Thinking beyond tomorrow" to me means that we – together with our customers, our suppliers, society and all other stakeholders –

€ 3.8
billion

was the amount of sales Symrise achieved in the 2021 fiscal year.

must always have an eye on the future. This applies to our sustainable business practices, without overstepping the earth's natural boundaries, and equally to our actions here in the Group, where we rely on our many capable employees. We can only continue our economic success and contribute to a better world for all if we maintain this long-term perspective.

Symrise is publishing a company purpose for the first time with this Corporate Report. Why is this important to you?

■ The purpose – meaning the deeper sense and meaning of our business activities – has developed over the last few decades and gets slightly redefined as time goes by. However, it has always been present in our strategy and in our daily activities. Therefore, we essentially summarized what we are with a broad-based process. And that was a very significant measure, because we can now demonstrably align all our further steps with our purpose.

Why did you develop the purpose now of all times?

■ Over the last few years we have greatly expanded the portfolio, for example with the acquisition of Diana, Renessenz and ADF / IDF. These strategic decisions form the company. We think the purpose is a great way to sum it up on one level and to bring Symrise closer to our many new employees.

Let's get back to business. The year that just ended was successful, but surely also unpredictable again, right?

■ Yes, we had very high demand for products for travel and leisure such as sun protection products, perfumes, beverages and culinary products. This was partly due to the advances made in fighting the pandemic. In 2020 it was totally different. The Nutrition segment grew the most in that year, particularly in the area of pet food, because a lot of people were forced to stay home during the many restrictions around the world. For me, however, this also shows that our strategy is working and that the products in our broad portfolio complement each other. Since 2009, we have increased the share of products outside scents and flavors, our core business at that time, from 10 to

over 30%. By 2025, we want to increase the areas of nutrition and care – for people and animals – to 40% and by 2028 to half of our sales.

The portfolio is, along with growth and efficiency, one of three pillars of the corporate strategy. How do you achieve the goals connected with this?

■ By concerning ourselves with new topics internally, for example. In recent years, for example, we have increasingly focused on cooperation within the Group. The divisions are working intensively on joint projects, as can also be seen in the Corporate Report. For plant-based alternatives to meat and dairy products, we have set up teams across the Group to increase the development, production, market and sales know-how of the whole company. The area of plant-based food alternatives is one of the most exciting markets out there. It will grow by about 15 to 25% annually by 2030, which will mean sales of around € 85 billion. Some say this number could be as high as € 250 billion. We can contribute a huge amount to this with our products for taste, texture and mouthfeel.

Will there be more acquisitions in the next few years to expand the portfolio?

■ We will continue to acquire or invest in companies that generate a lot of value for us, particularly in the areas of health, nutrition and personal care. This is not just about sales and profit – it's also about synergies. Here are two examples: At the start of 2022, we bought the Dutch company Schaffelaarbos, which extracts proteins for pet food from eggs. It is one of the market leaders in this area and helps us to expand internationally in the area of pet nutrition in combination with our activities with ADF/IsoNova. The Canadian company Giraffe Foods, which we bought in December 2021, creates sauces, dips, dressings, syrups and drinks for B2B customers. This acquisition allows us to bring together our flavor and nutrition expertise and our knowledge of customer-specific recipes, and therefore to become a leading supplier of integrated taste solutions in North America. In the next few months there will be even more acquisitions.



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We can only continue our economic success and contribute to a better world for all if we maintain this long-term perspective.

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Dr. Heinz-Jürgen Bertram
CEO

In 2020, supply chains were under extreme stress due to the COVID-19 pandemic. How do you think this developed in 2021?

■ The supply chains have proven very fragile in a lot of areas, but we have been able to compensate for this through our many years of efforts to sustainably backward integrate our most important raw materials. This allowed us to keep production running, which was very satisfying. Nevertheless, we have to think one step further. Climate change and the loss of biodiversity, as well as increasing social inequality, have a major impact on people and the environment, and thus on our supply chains. This is why, in 2021, we expanded our analysis and assessment of the environmental, social and governance performance of our suppliers.

How are you doing that?

■ Since we cannot map many processes in procurement on our own, we have participated in joint initiatives for responsible procurement. One of these is the Initiative for Sustainable Agricultural Supply Chains (INA), in which 34 organizations and companies have come together to promote the planned German Supply Chain Act. This was adopted in 2021 to improve the protection of human rights along global supply chains. At the beginning of 2021, we also founded our Responsible Sourcing Steering Committee (RSSC), which brings together all the heads of procurement and sustainability experts at Symrise. We want to continually improve processes together.

What market developments could you see being a help to Symrise?

■ We have always been strong in product innovation. This helps us to offer a service that is increasingly in demand: In the future, major manufacturers will often outsource new product development to free up resources for other purposes, such as expanding their e-commerce divisions. This is also one of the consequences of the COVID-19 crisis. We are serving this development with our many integrated solutions, in which we bring together our expertise from different areas.

Was this also one of the reasons to set up the new Taste, Nutrition & Health segment?

■ Yes, we want to use it to more closely connect the topics of taste and healthy nutrition. The Flavor and Nutrition segments are hiding behind the new segment, which customers often access simultaneously anyway. We can fulfill customer needs a lot better with the new segment. Along with flavors and foods, the new segment also comprises nutritional supplements, products for the pharmaceutical industry, functional foods as well as animal food and products for animal health. The advantage of the new segment is that we can utilize the enormous synergies between the segments – for innovation, for contact with customers or for trend research.

On September 20, 2021, Symrise was promoted to the DAX®, Germany's leading index. Was that a great day for you?

■ Of course the recognition for our company was great, but it's not something we were specifically working toward. It was more a consequence of our growth momentum. For us, this means first of all that we receive much more attention. We have significantly more inquiries from the media, but also from survey institutes, business associations, investors and analysts, academia and NGOs. In the process, we have to position ourselves more frequently on economic or social issues; we are used more and more as an example for "the economy." This is exciting, but requires additional effort. Nevertheless, we want to maintain our narrow structures with short decision-making paths in order to be able to react quickly. That has always worked very well for us, and it is the only way we can achieve what we have manifested in our purpose: Taking responsibility for a livable, future-oriented world and developing sustainable, safe and customized products for people and their pets. This is how we care for well-being and quality of life, for beauty and taste.

**€ 5.5 – 6.0
billion**

in sales is our goal for 2025.
This will take us into new dimensions.

»

At the beginning of 2021, we founded our Responsible Sourcing Steering Committee (RSSC), which brings together all the heads of procurement and sustainability experts at Symrise.

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Dr. Heinz-Jürgen Bertram
CEO



Taste can be learned

43

Dealing with flavors all day, evaluating food and beverages, smelling, and tasting, trying to distinguish the flavors – and doing it all in a multicultural group of other young people:

Five Symrise junior staff members are in the Flavor Academy to become flavorists and fulfill their career dreams.

INNOVATION AND DEVELOPMENT

■ The first thing that stands out when the Flavor Academy doors open is the laughter. They laugh a lot, and often. Five staff members, between 21 and 31 years of age, study, and have fun during their flavorist training course even though the program is ambitious and thus involves a very intensive workload. Two of these young talents are Suttipong Phosuksirikul from Thailand's capital Bangkok and Diana Salazar from Mexico City – the other trainees are from Singapore, Germany and the USA.

Suttipong Phosuksirikul and Diana Salazar are now standing with Master Flavorist Thomas Riess at a lab table. They have cut through three mandarins and are smelling the fresh, orange segments. "Fruity, juicy and peely, unique," says Salazar of the smell. "Ester-like and aldehydic," complements Suttipong Phosuksirikul. In the subsequent step, both will identify the molecules that could be used to replicate the aroma of this citrus fruit. They start with a list and brainstorm together about which substances and in which proportions they would include. Then they take the small glass containers with the selected aroma molecules from the shelf and weigh them very accurately. Salazar uses pipettes to transfer drops of the seven, eight ingredients they have chosen to a beaker. Sometimes it's just 0.1 ppm, sometimes 10 ppm – parts per million that all contribute to the final taste. They experiment, make a lot of trials and record their experiences.

Training for young talents

The exercise is intended to show the students, all with completed professional studies, how complex flavors are. "They get to know 500 different ingredients in the Flavor Academy that they must be able to recognize and use in compositions," describes Master Flavorist Thomas Riess, who has worked in the company for 30 years. Alongside 30 to 40 other experienced colleagues, he guides and teaches the five trainee flavorists. The team provides a broad training program, from flavorist profession to application, regulatory expertise and presentation techniques to glimpses into production.



With the Flavor Academy we can transfer the same level of knowledge across all global locations and promote exchange.



Katharina Reichelt
Head of the Flavor Academy



Katharina Reichelt went through the Flavor Academy herself and is now responsible for training the next generation of employees.



Dr. Katharina Reichelt, who has participated in the training program almost 10 years ago, also leads the Academy alongside the group of research flavorists. “The school has existed for 15 years. Previously, flavorists were trained on the job,” explains the graduated nutrition scientist about the Academy’s beginnings. As Symrise grew globally, it became clear that it would make sense to create an aligned, bundled flavorist training program for the Taste, Nutrition & Health segment. “With the Flavor Academy, part of the Food & Beverage division, we can transfer the same level of knowl-

500

Students get to know 500 different substances at the Academy.

edge across all global locations and promote exchange with the main office in Holzminden and also between the other locations.” According to Katharina Reichelt, around 20 candidates every year either apply for the program or are referred to the training by their managers.

The young people are then evaluated in a lavish assessment center. Relevant previous knowledge is an important prerequisite. They are trained chemical lab technicians or have a bachelor’s degree in food chemistry, chemistry or nutrition and at least two years of job experience. “We need people who can communicate well, because they will end up having a lot of customer contacts and, most importantly, they have to work as a team,” says Reichelt. They also must be good with trends, or at least interested in them, have basic technical knowledge and be sensory fit, of course. “In the assessment center, for example, they have to memorize smell and taste impressions of the first day and be able to recognize and describe them the next day,” explains the experienced flavorist.



Together, the budding flavorists smell hundreds of different flavors.



Diana Salazar deals in depth with the taste and scent of many different products.



Around

20

candidates
apply to
the school
every year.

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**Creating
good taste
with a
scientific
basis is
something
that really
speaks
to me.**

«

Diana Salazar
Student

Creative apprenticeship years

From October of the respective year, the five selected young talents come to the Flavor Academy in Holzminden. Here, they first learn a common language of taste which they can use to talk about flavors and smells. They work with terms such as “earthy,” “woody” or “caramel,” and connect these with flavor raw materials they have tried.

They then familiarize themselves with various raw materials, tasting and describing them, from individual substances such as vanillin to essential oils, extracts or ester compounds. Another task is to taste ready-made market products, recreate their taste and explain the process to each other. “It could be that a customer later says, ‘I like the taste, but the green notes don’t fit,’” Reichelt gives as an example. The team then must change the green notes like grass or bell pepper and consider how these integrate with other flavor notes.

The basic training lasts until the end of May of the following year and involves an interim test. After this, the five trainee flavorists go back to their home countries for a training on the job module. There, they work closely with an experienced flavorist in their daily work and sometimes change location or division. They then return to Holzminden for their final exam – their masterpiece – which is due at the end of the two-year program. “They get a project briefing modeled on that of a customer,” explains Reichelt. “They have two and a half weeks time to create a flavor composition that has various requirements. For example, they may only use natural raw materials and must keep to a certain product cost budget.”

If they pass the exam, they will be promoted to Junior Flavorists. After another two years, they can be promoted to Flavorists and after eight to ten years, to Senior or Master Flavorist. “We really want young people to see a career path with us,” says Reichelt. “This is why we rely heavily on in-house talents that we already know and that we have a connection with.”

Passion for the job

For Diana Salazar, the job is already a dream. “After an internship in the beverage application lab, I worked as an assistant to a Flavorist at Symrise and got to know the work that way,” the 26-year-old remembers. The job involves a lot of the things she loves: She studied mathematics and chemistry and likes to cook, mostly the many Mexican dishes from her home country. She is also a dancer and choreographer. “Creating good taste with a scientific basis is something that really speaks to me,” she says. Her classmate Suttipong Phosuksirikul confirms this with an energetic nod. The 31-year-old’s family owns a small restaurant. Cooking has always been in his path and no matter where he is, he always tries the local specialties. After completing his master’s degree in food technology and working in various jobs in the industry, he has now been at Symrise for two and a half years. “As soon as I heard about the Flavor Academy, I was in,” says Phosuksirikul. “The link between science and creative cuisine is absolutely ideal for me.”



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A commitment to sustainability



In Brazil, Symrise has built a wooden house on its company property directly on the edge of the rainforest. The proposal for this new building is to provide socio-environmental courses for students from the local community and a sustainable vision for the future.

BIODIVERSITY, CLIMATE, SOCIETY

■ If you stand on a big balcony at the Symrise Granja Viana location in Brazil, you won't believe that you are just 20 kilometers west of São Paulo City and its 20 million inhabitants. The view is of the Atlantic Rainforest, in which thousands of plants grow and hundreds of species of animals roam. In this place, the company founded its Center of Excellence as its Latin American headquarters ten years ago. Currently, 270 people are employed at this site.

Looking to the future with a sustainable focus, Symrise moved to this property with the idea of joining business and environmental commitment together. So, the idea of building a wooden house on Symrise ground next to the Atlantic Rainforest was a totally unique concept as the house includes internet, IT infrastructure, solar panels for energy supply and a rainwater facility. A landscaping project was created to inspire dialogues with the people and nature around it. It encompasses three functionalities: an aromatic herb yard where employees can harvest their spices and teas, a sensory garden to delight all five senses, and a hotel for native bees. It extrapolates and transcends the conventional landscaping model to go beyond only the aesthetic.

Besides that, the SymHouse fulfills two purposes. The first of these is building awareness of environmental issues. "A few years ago, we started a project with an NGO in which we taught children from a nearby school about nature and its conservation, and more recently we have included the topic of diversity in the program," says Mariana Martins, who is responsible for Symrise sustainability projects in Brazil. "At the end of the joint work, we always invited the children to our regular building. Now we have our own place for this to advance socio-environmental education." Since 2018, the Symrise team has trained 240 children, mainly from poorer families.

The second purpose has to do with the employees. There are very few spots around the Center for Excellence where employees can take a break in the fresh air or that they can use as alternative meeting locations. "They can now use the wooden house and the space in front of it for their lunch breaks and to decompress," says Eloa Castelucci, Operations Director Scent & Care and Sustainability Ambassador at Symrise. "It also means we now have another nice place to conduct training sessions and welcome our customers."

At the end of 2021, the team invited a Brazilian artist to paint one side of the house with a mural. The pictures are a well-known art form in Brazil and often have messages relating to important causes. "For us, it's about environmental protection," explains Mariana Martins. "This is how we can show from afar what we can do with this house. In addition, art is a way to bring sensoriality and collaborators closer to such a project."

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Mariana Martins and Eloa Castelucci (left) worked with their team on the construction project in Brazil.

Proteins?

Dietary preferences are rapidly changing and increasingly moving away from animal products. In the future, plant-based alternatives to meat and dairy products will become even tastier, better and cheaper. Their share of global food sales will keep growing rapidly. Symrise has established its own platform for this growth market, where experts across all divisions link up within the company and with experts and innovators from outside.

CLIMATE, INNOVATION AND DEVELOPMENT



**But without
meat!**



52

It's noon, Florian Herkner is enjoying a short break before his visit to Food Ingredients Europe in Frankfurt, the international trade show for food additives. The Symrise platform manager walks a few steps to stand in front of a small café. Inside, he takes a seat by the window and orders a rhubarb spritzer. Finally, he starts talking about his current main topic: alternative proteins.

The trained chef first explains their definition, because lots of different terms are often just thrown together: "There are products made from plant-based raw materials that imitate the taste and texture of meat – food that can serve as a replacement for meat products – and there are alternatives to dairy products." A schnitzel made from soy or chickpeas is very different to falafel, which is a staple of ancient Arabic

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By 2035, every tenth portion of meat, eggs and dairy will be from an alternative source.

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Florian Herkner
Head of Global Growth Platform Plant Based

cuisine and has always been meatless. What all varieties have in common is that they are all moving "from niche products to mainstream ones," says Herkner, who studied international business administration and initially worked in the wholesale of raw materials for the food industry. "We see this development in supermarkets and domestic kitchens, in restaurants and in fast food chains."

The numbers confirm the Austrian's experience. He has been working for Symrise for six years and was previously working in sales for drink solutions in Eastern Europe. "No matter what study we look at, we see extreme growth. By 2035, every tenth portion of meat, eggs and dairy will be from an alternative source." Sales from alternative proteins will be around USD 290 billion by then. Investment is not as strong in any other segment of the food industry right now.

Climate protection and animal welfare as driving factors

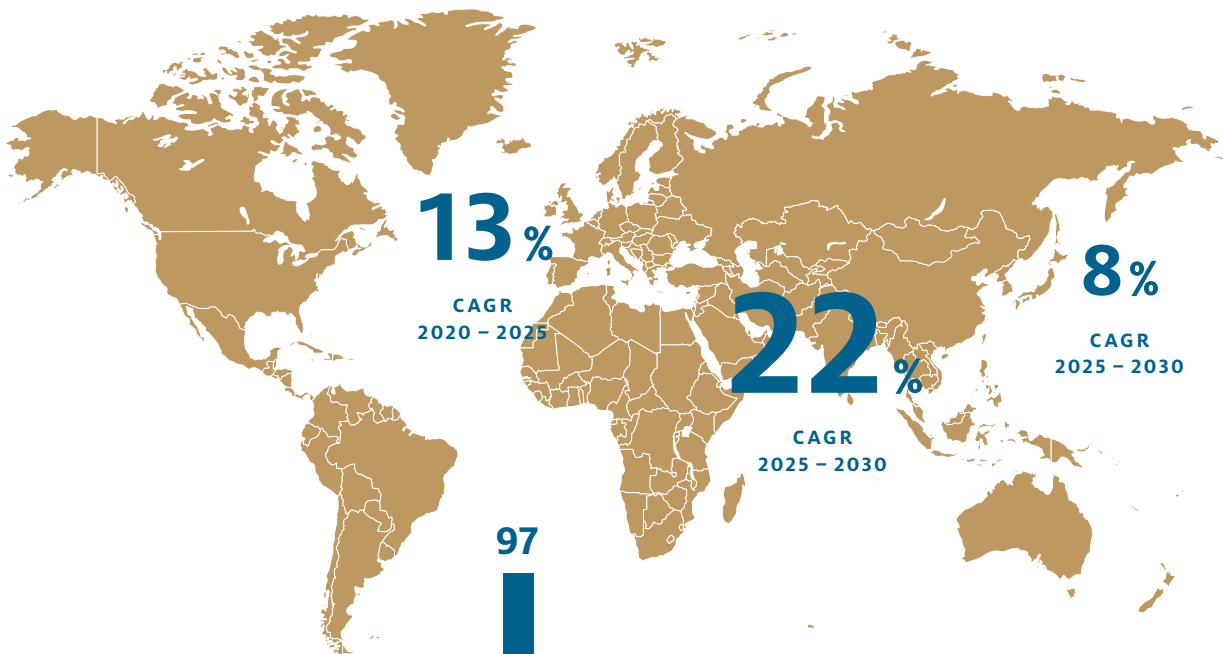
He lets these facts sink in and orders something in the café: homemade falafel with beetroot hummus and grilled eggplant. While he enjoys this, he talks about his personal relationship with food. "I eat meat, but only good meat," says the platform manager, whose family keeps sheep at home in a wild herb

meadow and treats them as their own meat source to make homemade sausages. “I also think plant-based alternatives are super exciting if they taste good. This eggplant here, for example, will be plenty for me – no need for schnitzel.”

This thinking is common at the moment. “Worries about the climate and animal welfare are significant driving factors for the development of alternative,

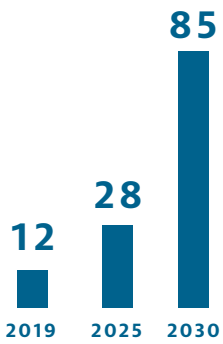
plant-based proteins,” says Herkner. Another driver is the technological revolution: “The technologies for the development of comparable plant-based products are visibly improving. They make meat alternatives more attractive for the broad consumer class because they can imitate the flavor, smell and consistency of meat, fish, seafood, dairy products and eggs.” In the end, costs are reduced so far that they are comparable with the price of real meat.

The growth of alternative products worldwide



If alternative proteins match animal proteins in taste, texture and price, they will be able to replace animal protein in ten of the world’s favorite dishes by 90%.

Consumption of alternative proteins worldwide
in millions of metric tons



In 2019, the global plant-based meat market was worth around € 12 billion. The market will grow around 15% annually by 2025, to approximately € 28 billion. In the following five years, this should increase by at least 25% per year: By 2030, sales will be at around € 85 billion. Other studies put this figure as high as € 250 billion.





This is why Florian Herkner works on the quality of plant-based alternatives for Symrise. The goal is to create the innovative ingredients of tomorrow, from natural raw materials for a good price. For him, an important way to achieve this is through cross-divisional exchange. After he started working as the Lead of the Business Incubation Group for the Plant-Based Solutions platform at Symrise in June 2020, he started holding regular meetings with 50 colleagues from four world regions. Once a month, these experts talk about retail, sales, technology and the individual food categories. The following day, technology experts meet and keep up to date on research, new developments and the necessary application technology. "This saves time, leads to less duplication of work and prevents silo thinking."

80 % of consumers are repeat buyers

At Symrise, we always consider four layers when working on meat and dairy substitutes: masking off notes coming from the protein, managing texture and mouthfeel, achieving a meaty or dairy note and adding a top note such as vanilla or grill flavors. There are challenges specific to every layer: For base raw materials like pea, soy or mycoprotein (derived from the fermentation of a filamentous fungus), the flavors are created in such a way that their commonly recognizable bitterness is masked. At the same time, burger patties made from these bases must also be juicy and have that grill flavor. Developers are also tasked with adhering to food safety standards and minimizing sugar and salt in the products. And last but not least the consumers have to like the taste: "80% of consumers will decide to buy the product again if they like it."

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**80 % of consumers
will decide to buy
the product again if
they like it.**

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Florian Herkner
Head of Global Growth Platform Plant Based

Symrise has solutions for all the requirements for plant-based replacement products and Florian Herkner is one of the interfaces. If Symrise doesn't know something about a new topic, he looks for new partners. His lunch break is now over, so he pays and makes his way to the trade show. Once there, he will discuss protein sources like microalgae and fava beans. "I want to learn about as many developments as possible in order to evaluate them from a commercial and technical standpoint," says Herkner, and adds, "In these dynamic times, it's simply not enough to develop what customers wanted yesterday. We have to give them today what they will want tomorrow."

Cooperation for increased efficiency

Three questions for Catherine Trillo-Blanco, Global Growth Platform Manager for plant-based solutions at Symrise within the Taste, Nutrition & Health segment.

Ms. Trillo-Blanco, why is cooperation in the growing area of alternative proteins so important?

The markets and developments are so dynamic that we are actively engaged and reaching out to partners to secure new strategic business relationships as well as to introduce and share new and upcoming technologies and raw materials. At Symrise, we work with startups, established companies, universities, governments, venture capitalists and other companies to identify future growth potentials long before they arrive on the market. We build ecosystems because collaboration is key in such a dynamic field.

Which partners have you worked with so far?

We have, for example, a partnership with the research accelerator New Food Innovation to help scientists, startups and established food manufactures bring their innovations to market. We also work with food technology incubator Fresh Start from Israel and Food Ventures in Singapore. In Germany, we partner with KitchenTown Berlin, an innovation platform for food startups, who help companies make their ideas and products market-ready. What's great about this is that we are learning something new every day.

Since October 2021, you have been working with Wageningen University. What's this current project about?

As part of this collaboration, Symrise is researching pulses and the sensory quality of meat analogues for optimal taste and functionality. We are currently working in two associations with partners along the entire value chain, from companies dedicated to breeding and processing crops all the way to manufacturers of food products. The intention is to provide tasty, sustainable and optimal sources of protein for human consumption that consumers find appealing.



Mr. Osche, you are part of the global platform to deliver Plant-Based Solutions. What do you bring to the projects?

At Symrise, we have a large portfolio of vegetable and fruit juice concentrates, powders and flakes that complement the natural flavors. The functionalities are not the same: for instance flavors are often not meant to add texture or color or provide a certain mouthfeel. But in meat alternatives, that's exactly what's needed. And this is what the combination of natural ingredients and flavors can achieve.

How can you create a hearty mouthfeel, for example?

A hearty mouthfeel is complex and requires several layers of ingredients. As a base, our mushroom juice concentrate tastes umami, which means hearty, savory and meaty. We then add culinary complexity with various onion, garlic or shallot products. If we are looking for something more unique, we also offer Sofrito or Mirepoix solutions, which are made of different co-cooked vegetables and help a lot with juiciness. In addition, our products can balance the off-flavors of vegetable proteins.

What are the developments with vegetable alternatives that are already enjoyed in the kitchens of the world?

The market is huge and we have a whole range of solutions for it. I'm thinking of paneer, the Indian cream cheese prepared with spinach, cashews and spices, pumpkin waffles, quinoa bowls or even tofu dishes or falafel. For all these dishes, we can provide the natural ingredients by drawing on our wide range of more than 50 varieties of vegetables.



Texture and mouthfeel without animal proteins

Three Questions for Pierre Osche, Head of Research for Vegetable at Symrise within the Taste, Nutrition & Health segment.

Sustainably into the future



**DR. HELMUT FRIEDEN,
CORPORATE SUSTAINABILITY**

■ When the Act on Corporate Due Diligence Obligations in Supply Chains entered into force in July 2021, we were well prepared. The act regulates the responsibility of German corporations for human rights and environmental protection along the global supply chain. We had already established our Responsible Sourcing Steering Committee (RSSC) in April, which collaborates with our Corporate Sustainability department, divisional purchasing managers and their sustainability officers. This committee will evaluate our raw material suppliers and indirect suppliers, such as service providers and packaging material suppliers, in terms of risks and opportunities relating to sustainability.

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In 2021, 60 % of the suppliers that we contacted took part in the programs for protecting the climate, water and forests.

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We will invite an increasing number of these companies to be part of the collaborative exchange of supplier data on the SEDEX and EcoVadis platforms in order to get a better overview of their sustainability. Moreover, the RSSC will encourage our raw material suppliers to take part in the CDP Supply Chain program, in which we have already participated for five years. In 2021, 60 % of the suppliers that we contacted took part in the programs for protecting the climate, water and forests. More than 70 % of suppliers have already defined their climate goals and the measures undertaken have saved three million tons of CO₂.

**DORIS GATTERMANN,
CORPORATE SUSTAINABILITY**

Climate change is progressing, and I am convinced that the only way we can overcome the huge challenges we all face is if we act together. It's not enough for a few people to reduce their waste to zero, use alternative energies or shop consciously. Billions of people must commit to doing what they can, even if they can't do it perfectly. We cannot wait for the one big solution. We must simply begin, even with small steps.

To support this approach, we created the Ambassador Network at Symrise. We are kindred spirits whose passion for sustainability connects us across divisions and regional borders. More than 150 colleagues are now participating, and they are dedicated to making the topic of sustainability vivid and tangible. We are discussing what we can do, as Symrise employees and also privately. We organize informational events and start up local and cross-regional projects around the world. One great project is our "Lunch for Change" cookbook, created as part of a project week around UN Food Day in 2020, for which we asked our colleagues to provide their favorite sustainable recipe. In the book, there are lots of tasty ideas that simultaneously reinforce our commitment to more sustainability.



**SASCHA LIESE,
CORPORATE SUSTAINABILITY**

Biodiversity – the diversity of species and ecosystems – is important for us in two ways: It serves as an inspiration and a model for the development of fragrance ingredients and aromas, and it also serves us as a rich source of raw material. At Symrise, we use botanical rarities gathered in the wild of the Amazon rainforest, fragrant and aromatic plants from small-scale farming in Madagascar and Indonesia, and numerous raw materials and byproducts from agriculture, forestry, fisheries and aquaculture. 90% of our diverse raw material portfolio consist of materials that originate in natural or managed ecosystems. This makes biodiversity a natural source of capital for us, which is important for the success of our business.

To support this diversity, we must take an equally diverse range of measures since, unlike the climate, biodiversity is highly context-specific. Whereas in the Amazon we must be careful not to overuse the wild populations when harvesting natural ingredients, in our Indonesian patchouli project we must primarily improve the biology and structure of the soil in order to maintain the productivity of the crop system. In Madagascar, on the other hand, it's important to us to engage in reforestation and fight soil erosion. We have made a principle out of this: Around the globe, we make sure we recognize the material risks for biological diversity in the local context of our intervention projects in strategic supply chains, so we can develop tailored solutions to manage them.

Diversity as the key to success

60

As the new global head of the HR department at Symrise, Katharina Dürbaum explains in an interview how she intends to direct the Group's HR strategy in the coming years. The company is committed to diversity, consistent succession planning and new ways of supporting its employees worldwide.

GOOD CORPORATE GOVERNANCE

Ms. Dürbaum, you started at Symrise in May 2021, and in September the company's shares were added to the DAX®. Has this inclusion changed the demands being placed on HR work at Symrise?

Overall, the challenges of HR work have grown significantly. For listed companies, what is known as the social footprint is also becoming increasingly important, especially our ESG (economic, social, governance) goals: both within the company and in relation to suppliers and customers. Our inclusion in the DAX® also brings with it heightened interest from investors, proxy advisors (i.e., the voting advisors of investors), journalists and NGOs in human resources issues. They want to know which goals we are pursuing and implementing as part of our corporate strategy. Our focus as a globally active and dynamically growing company is on diversity, equal opportunity and sustainability.

How do you define the term diversity for your work – and where do you want to take it?

For me, diversity is based on many aspects. One obvious and important aspect is gender diversity. For us, recruiting, developing and promoting women, including in management positions, is a key issue. Another aspect that is just as important for our corporate success, which comes from working together in diverse teams, is having employees from different cultures and nationalities. I also see the exchange between generations as an outstanding opportunity to work together, from different perspectives, on our current and future challenges. For me, making diversity into a value we embody at Symrise is a success factor that enables creative, innovative and sustainable solutions while also allowing us to work together in a constructive, lively spirit of togetherness.

How do you experience diversity at Symrise and how do you foster it?

Symrise has an open, entrepreneurial corporate culture characterized by team spirit, cross-border cooperation and the will to succeed. Our dynamic working environment allows employees to contribute individually with their different experiences, ways of thinking and skill sets. Currently, we are developing a comprehensive plan to promote our diversity in even more precise ways – in all the aspects mentioned above.

The topic of diversity is always a matter of equal opportunity. How do you make sure this is achieved?

It is important to us to give all employees equal opportunities, for example when it comes to their career and development prospects. We also want to offer our employees fair compensation. This not only motivates employees but is also in line with our corporate values. Only recently, we saw this confirmed for our German sites: Symrise was recognized for its fair pay with an award, the Universal Fair Pay Check, by the NGO Fair Pay Innovation Lab under the patronage of German Labor Minister Hubertus Heil. This certification also takes into account various diversity characteristics such as gender or age.

Katharina Dürbaum has been Head of Global HR at Symrise since May 2021.



Approximately

7,000

of our more than 11,000 employees do not work in Germany.

You mentioned the age factor.

What are the challenges that you see here?

On the one hand, it's about fostering inspiring and constructive collaboration in and with teams in which all age groups and generations are represented in our company. I see this as a particular strength of Symrise, because mutual recognition and sharing knowledge and experience play a major role – in Germany, in other countries and across borders.

And on the other hand, it is important to have a strategic succession planning that takes into account the dynamics in our company along with changing job profiles and areas of responsibility in the future. Our career development process "Grow" plays an important role here. We also consistently foster talent within the Company regardless of heritage, gender or age. The establishment and expansion of cross-segment and international programs, targeted international assignments or the assumption of new or expanded areas of responsibility are examples of how we successfully support our employees personally and professionally. We are especially pleased with the success of our very high quality e-learning tool that was launched globally this year. It offers employees worldwide training opportunities in 30 languages. Interest is particularly high in specific seminars for managers focused on women in management positions, the management of hybrid teams (working at home and in the office) or international teams with different nationalities.

What role does training at Symrise play here?

It has a very high priority for us, as shown by multiple awards in company comparisons over the past four years. On the one hand, we recruit qualified young people who we train to meet our needs. And on the other hand, we also fulfill a social mission by offering a wide range of trainee positions. 40 trainees starting with us in Germany alone, mainly in chemical-technical professions and technical professions as well as commercial careers. Many of our employees are also in work-study programs.

Since the coronavirus pandemic began, many employees have been working from home, some permanently and some occasionally. How do you see this development, also with a view to the future?

This is a challenging, complex and, above all, global issue. Since 7,000 of our more than 11,000 employees do not work in Germany, it is very important to coordinate with the many countries in which we operate. In Germany, the situation looks like this: Two-thirds of all employees at the headquarters in Holzminden, as well as in Braunschweig and Nördlingen, have to be on site every day – mainly employees in production or in the laboratory. Here, as at our production sites around the world, it is important to strike a balance between working from home or remotely and working in our offices, laboratories and production facilities. We don't want to create what might seem like a "two-tier society." Here, we need solutions for the Group overall. It is also important that personal contact between a manager and their team, or among team members and with other departments, not get lost as a result of working from home. Personal conversations, seeing colleagues face-to-face, chatting about news and developments are very important for building and maintaining personal ties. The last few years of the pandemic have shown that "alienation" can also lead employees to feel that they are replaceable in their work for a company. That's why we are working to develop a solution that allows us to bring all these aspects together.



We want to remain attractive as an employer in all countries of the world – also in comparison with other companies in our industry.

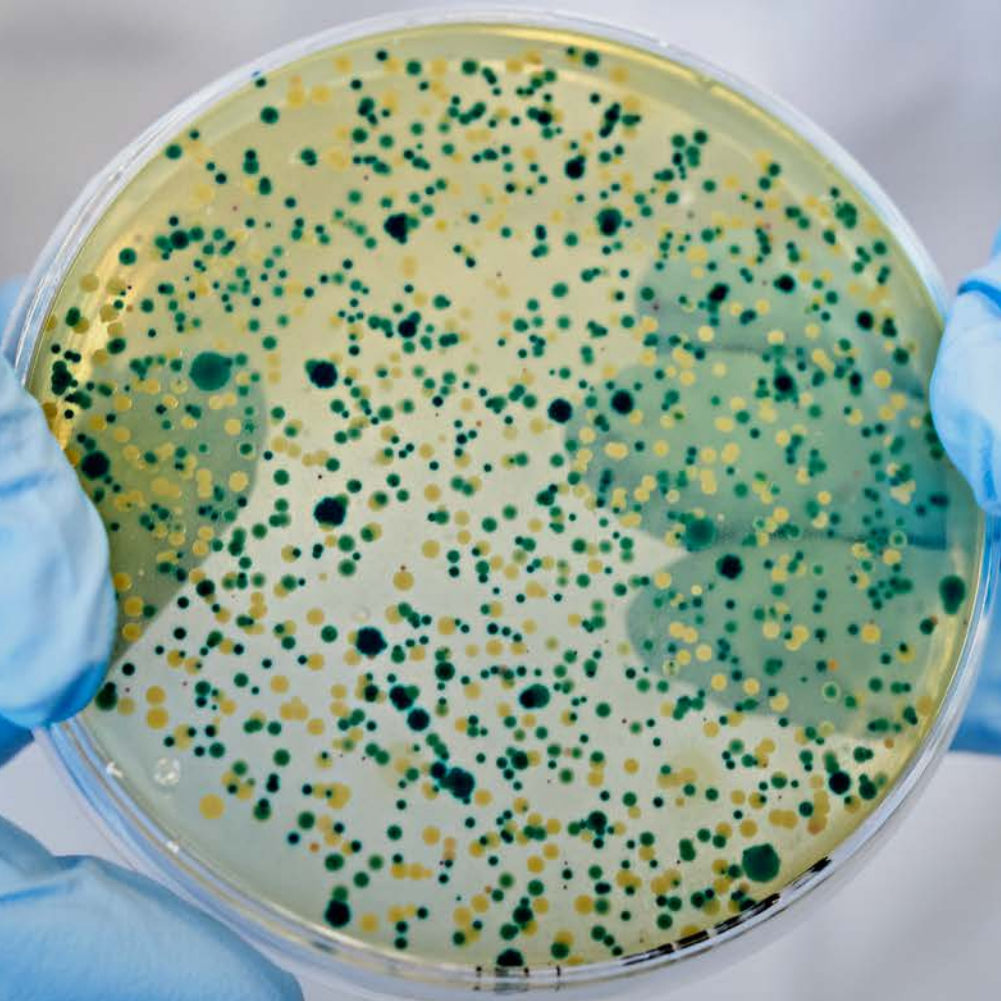


Katharina Dürbaum
Corporate Vice President
Group Human Resources

What issues are important to you for the coming years up to 2030?

Particularly in the Western European countries of the EU and especially Germany, we need to actively address the demographic shift – both now and in the coming years. How can we counter the extreme labor and executive shortages that will occur as entire generations retire? In all countries of the world, we have to ask ourselves how we can remain attractive as an employer – even as we compete with other companies. We want to show what makes us unique. In addition to appropriate pay, this includes a fair and constructive corporate culture,

exciting tasks and opportunities for development, and having a good reputation as a company. Which is why we were delighted to be ranked among Germany's best employers in 2021 in a nationwide survey of the population conducted by the rating and ranking agency ServiceValue in cooperation with the well-known newspaper WELT. We want to continue to foster a lively spirit of cooperation and diversity. And last but not least, to achieve parity between genders and many nationalities in our global leadership positions. My hope is that by 2030 this won't be much of a talking point anymore because it has become part of the standard way we do business.



Every person is different – just like every region of the body. On your scalp, in your mouth and under your arms live certain collections of microorganisms – in their entirety they are known as microbiomes. In order to use these microbiomes in product development, like for anti-dandruff shampoo, mouthwash and deodorants, Symrise has been expanding its research into this area for years.

INNOVATION AND DEVELOPMENT



Humans

as

eco-

systems



96

white plastic teeth coated with hydroxyapatite – a natural component of teeth – are a research tool.

At the start of the study, lab assistant Jessica Grieger has a task that seems – to put it mildly – unusual for the layperson. Every morning she takes saliva samples from a broad range of Symrise employees, which they collect at home in small tubes. Only after this is done can the volunteer donors brush their teeth. In the lab for microbiology in Holzminden, Grieger mixes the samples and puts the liquid into 96 small reaction vessels that are arranged on a see-through plastic platter. A platter with 96 fake white teeth coated with hydroxyapatite, a natural component, is put on top as a lid.

The saliva will be thrown out the next day. In the meantime, a biofilm has appeared on the teeth – a visible layer of mucus built by microorganisms. Grieger, who completed training as a bioengineer alongside her Bachelor of Science in molecular biology, draws a nutrient medium into a multi-channel pipette. She fills the vessels on a new plate carefully and precisely, but still quickly, with the substance. She then closes them again with the same lid so that the biofilm on the teeth can continue to be nourished.

After two days, the preparation is ready. The formerly white fake teeth have become slightly yellow and smell strongly of what we would call bad breath. That's all part of the plan. "We have used the model to recreate the oral flora, which consists of many different microorganisms such as bacteria, viruses and fungi," explains Christin Koch of the process, which will subsequently serve to analyze the effect of different test substances and products on the bacteria in the biofilm. She holds a doctorate in microbiology and heads the laboratory, which has developed an innovative focus in recent years: The research and development of molecules that target what is known as the microbiome.

Research close to people

"People have their own little ecosystems in many places of the body that can be very different from each other. Their complex and dynamic interplay forms the larger ecosystem of a person," says the scientist, who also dealt with the microbiome in her doctoral thesis. In the field of personal care products, research has traditionally focused on how certain substances affect the body and human cells, in particular with the goal of killing certain bacteria. Christin Koch, on the other hand, concentrates increasingly on the equilibrium of the human microbiome.

Their composition changes depending on the region of the body. The scientist compares them to ecosystems on earth: "The oral cavity is like a coral reef, the scalp like a flower meadow, the armpit with sweat and moist skin like a lush forest, or the dry skin on the shins like a desert."

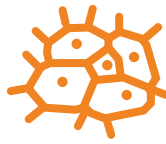
For research, it is therefore important to develop products that are as precise as possible and that work not only in vitro, i.e., in the test tube, but also in real life – in vivo, as the scientists call it. The test plate with the little teeth and saliva – that is, the ex vivo biofilm model – is aimed at this approach, as are the welding models developed in-house by the company. "For this purpose, our external cooperation partner sends men to the sauna, where they collect their sweat, which we can in turn use in the experiments," says Koch of the research's closeness to human life.



The human body consists of almost

70 %

water ...



... and of approximately

3 x 10¹³

human cells.



The number of bacteria is even higher. An estimated

3.8 x 10¹³

microbial cells populate our body and form our microbiome.

Benefiting the microbiome

With the findings from microbiome research, products have either been newly or further developed. An example of this is Crinipan® PMC Green, which hampers the growth of the Malassezia fungus. This fungus grows on the scalp and can cause dandruff. To do this, it relies on naturally occurring fats that it cannot produce itself. The product, which is derived from renewable raw materials, makes use of a “trick,” as Koch calls it: “Malassezia breaks down fat molecules present on the scalp to feed. These enzymes also release our Crinipan® PMC Green antifungal caprylic acid – an antifungal agent.” So Malassezia decimates itself, keeping the microbiome in balance.

In the area of deodorants, Symrise has developed the microbiome-friendly material SymDeo® B125. It can, for example, replace triclosan, which has a strong antimicrobial effect and prevents the smell of sweat, but also kills beneficial bacteria. And for the benefit of balanced oral flora, the ex vivo biofilm model has helped to take products such as Optafresh® D and SymReboot™ OC/Optabiotics®24 from the lab to the market. The former fights selected bacteria that create bad breath and simultaneously reinforces the bacteria that positively affect the oral microbiome, while the latter supports gum health.



Christin Koch heads the laboratory in Holzminden that researches the microbiome. This research is allowing Symrise to break new ground in product development.

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Today, the laboratories where we send our samples can generate and evaluate huge amounts of data in a very short time.

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Christin Koch
Head of the lab for microbiology

The fact that microbiome research is possible in its current form is primarily due to technical progress. Although the first technologies for the DNA sequencing of the microbiome were available in the early 1990s, they have only been widely usable for the past ten years for cost-related reasons. “Today, the laboratories where we send our samples can generate and evaluate huge amounts of data in a very short time,” explains Koch.

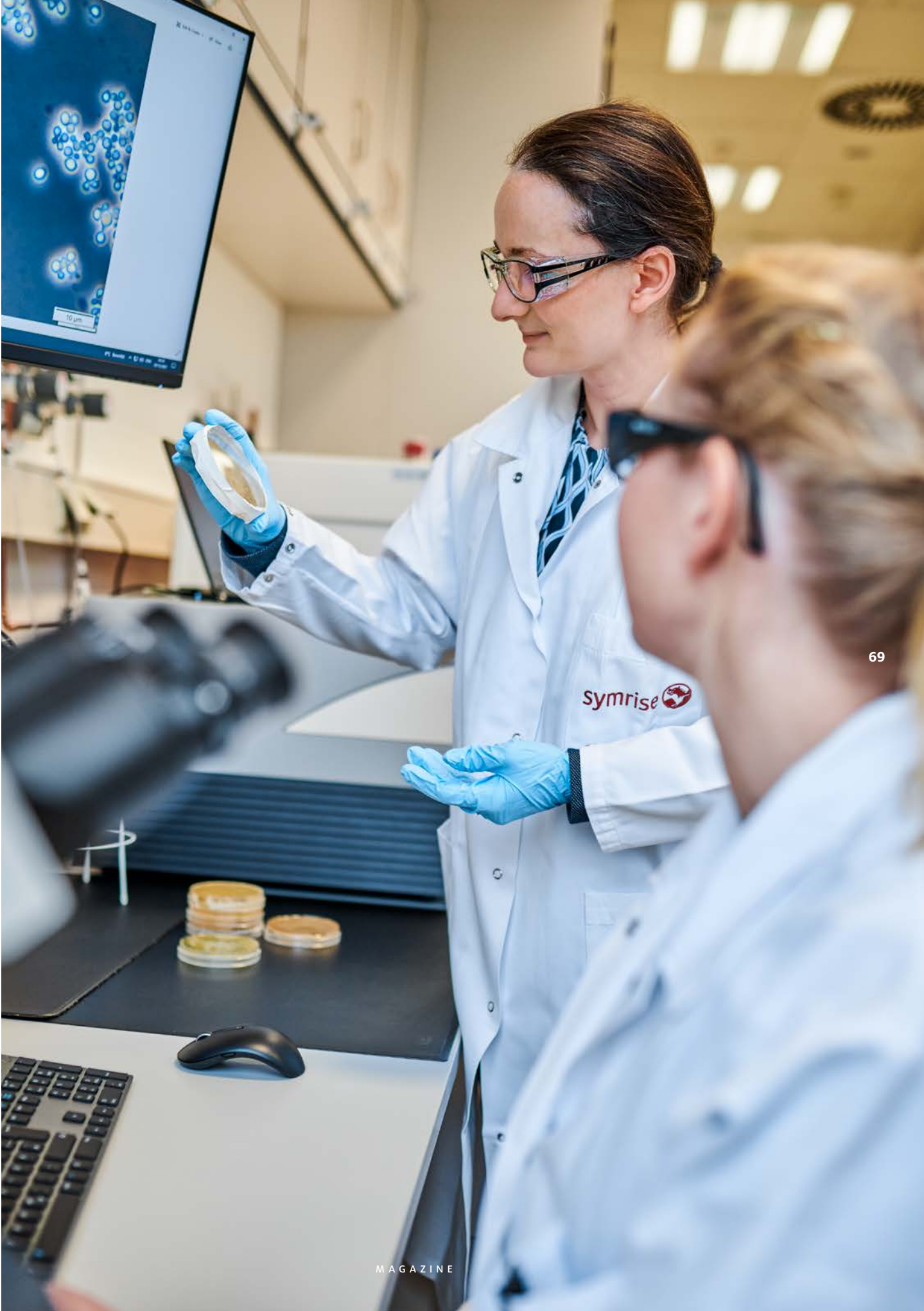
International networking

Symrise has invested heavily in microbiome research in the last few years, which also runs over into other divisions. Denis Guyonnet of Diana Nova wants to demonstrate how polyphenols, found in fruit and vegetables, have a positive effect on the gut microbiome. The secondary plant substances come primarily from fruits rich in polyphenols (for example, cranberries), as well as from the sidestreams of fruit and vegetable processing, such as peels or pomace, explains the innovation manager. In this process, Symrise performs standardized extraction of the polyphenols from these different raw materials to produce a product with specific polyphenols, because the type of polyphenols differ greatly from one fruit to another.

However, Guyonnet doesn't just rely on research from within the Group. His task is also to connect the scientists with external academic researchers. The project on polyphenols has been running since 2018 in cooperation with the Université Laval (INAF) in Québec, and other research initiatives have been launched with world-class European experts in microbiology, gastroenterology and polyphenols. “We are working in two directions: We want to find out what effect the polyphenols have on the pathogens, the bad bacteria, and we also want to explore how to stimulate good bacteria,” says Guyonnet.

Both groups of bacteria play a role in intestinal health according to the researchers that work closely with the development group and Koch. “In a raw state, polyphenols can't be absorbed. However, the bacteria of the gut can split them into small molecules, bringing out their anti-inflammatory and antioxidant capabilities,” explains Guyonnet. They also work against pathogenic bacteria. He emphasizes that people's microbiomes differ from one another and that the complex research requires further investigation. For this reason, the five-year program will soon be followed by clinical trials.

Together with the Swedish biotechnology company Probi, in which Symrise has invested, he is also looking into innovative new synbiotic products containing living microorganisms. “These living bacteria can then directly break down the polyphenols from the fruits and release the active ingredients,” says Guyonnet. He is also working on this alongside his colleagues in Holzminden. “We can profit from the expertise of the entire Group – this is very efficient because paths are short and we can all work to the same quality standards. We can also access the broad natural portfolio throughout the company, which gives us a lot of options.”



Every-

thing

70

With the help of green chemistry and a high level of innovation, the Symrise fragrance experts have been restructuring the portfolio for years to include biodegradable fragrance ingredients that come from natural products. The fragrance ingredient dihydromyrcenol is a good example of what's needed for this to work.

flows

INNOVATION AND DEVELOPMENT



The trees then absorb the CO₂ and use it to grow.



The ingredients are washed into the wastewater system via drains, like in the shower, and then flow to the treatment facility. They are then biodegraded in a short amount of time and transformed into CO₂.



Pine trees are grown sustainably in the USA. Once the trees have matured, the wood is sent to paper factories where it is turned into pulp.



Pulp production creates raw sulfate turpentine oil, which then typically must be disposed of.



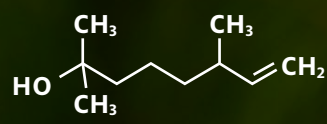
Symrise uses the raw sulfate turpentine oil and desulfurizes it.

A / B

The material is then distilled and broken down into alpha and beta-pinenes.

A + H₂O

The alpha-pinenes are hydrogenated and transformed into pinane.



The molecular structure of pinane is rearranged. Dihydromyrcene is formed, from which in turn dihydromyrcenol is produced: a biodegradable fragrance ingredient.



Manufacturers use dihydromyrcenol in shampoos, creams, perfumes and household cleaners.

“The task is as clear as it is challenging,” explains Johannes Panten, an innovation scout who has worked for the Group for 30 years. “All of us – Symrise, the consumers, and our customers who produce perfumes, shampoos or cleaning products – want to have biodegradable fragrance ingredients.” “And they should come from natural raw material sources. This also means we face a huge transformation because many ingredients are currently produced using fossil resources.”

Originally, from the beginning of ancient perfumery until well into the Middle Ages, almost all fragrances came from nature – for example, by treating flowers with different processes. “During the 20th century it became clear that the natural resources couldn’t keep up with the rapidly increasing demand,” continues Panten. There were many reasons for this – one of which was the introduction of modern laundry technology. In the middle of the last century, the washing machine began its triumphal march in the USA. The demand for the base material and thus also fragrances for washing powder grew exponentially. Another reason is the perfume industry’s much sought-after musk scent, which can be found in nearly every perfume. It used to be sourced from a stomach gland of the wild musk deer, but the animal had to be killed in order to get to it. To improve animal welfare and also to save costs, the industry transitioned to using synthetic ingredients.

New approach: Green chemistry

Turning the dial back to natural materials isn’t quite as easy, however. “For some ingredients, we’re looking for alternatives to synthetic products in raw materials from nature,” explains Panten. For years, Symrise has also used the residual materials from production processes involving natural raw materials. “We apply the principles of green chemistry by avoiding waste and adding value to byproducts.”

One example of this is dihydromyrcenol. Thousands of tons of it are needed on the global market, making it one of the most important fragrance ingredients. With its citrusy and herbal scent, it is used in perfumes, shampoos and cleaning products. The material comes from a byproduct of paper production. Johannes Panten grabs a marker and sketches out the process on a flip chart. A highly simplified process, of course, because the chemical reality is naturally a lot more complex. “It all begins in the pine forests of North America, where the wood is grown sustainably. It is



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We apply the principles of green chemistry by avoiding waste and adding value to byproducts.

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Johannes Panten
Innovation scout at Symrise

then processed into pulp for paper production using the Kraft process. This process creates the byproduct raw sulfate turpentine oil,” explains Panten. The Symrise plant in Jacksonville, Florida, uses this byproduct and removes the sulfur, which has been added earlier in the process in the form of a solvent. Finally, the company breaks the material down into alpha- and beta-pinene – volatile liquids with a turpentine scent – and uses hydrogenation or pyrolysis to transform them into biodegradable fragrance and flavor ingredients: linalool, citronellol, geraniol and, of course, dihydromyrcenol.

The bridge-builder

The US company Renessenz, which has been part of Symrise since 2016, created the process, and Symrise has further developed it over the years. To continue this development, Panten recently conducted a survey to find not only the latest process technology but also the best-suited external partners who could work together with the internal researchers to carry out the optimization. One of the main tasks in his job is to get in contact with startups, universities, research centers and suppliers as a “bridge-builder,” as he calls himself, in order to find the best solutions.

The Dutch process developer InnoSyn proved to be the right partner for the production of dihydromyrcenol. At the Brunswick site on Colonels Island in Georgia, Symrise chemical engineer Thomas Mikulencak and his team then introduced, tested and scaled a new process. “We work with a flow chemistry process. The unique thing about it is that there is a continuous inflow of raw materials and an equally continuous outflow of reaction products,” says Mikulencak. “It’s extremely efficient, there are hardly any waste products because we are processing all of the base material that we are putting in. And it works in a very selective way, meaning we get exactly the result we want in the reactions.” The new process also increased the potential capacities for dihydromyrcenol production, so Symrise can continue to grow with the plant.

Optimizing the process wasn’t an easy task though, because production had to continue running at the same time. “That’s why it was so important to have a strong partner like InnoSyn on our side, who had developed the process with us in the lab to such an extent that we could implement it 1:1,” continues Mikulencak. In chemical engineering, a process must be very well thought-out and tested to get the optimal result. “Flow chemistry is particularly well suited here because we can control the reaction parameters, such as the temperatures, very precisely.” The process, the expert makes very clear, is specially designed for dihydromyrcenol. “The small improvements really pay off, especially when it comes to large production volumes,” says Mikulencak. “And we learn more with every new or optimized facility, so that we will be able to set up and expand sustainable processes in the future.”

WHEN IS SOMETHING BIODEGRADABLE?

A material is biodegradable when it does not accumulate in nature after it has been used – instead, after a certain period of time, it can be transformed into CO₂. Plants absorb carbon dioxide and then turn it back into organic material. The OECD has specific requirements for this process, all of which Symrise fulfills. One definition says, for instance, that the ingredients in perfumes, household cleaners and shampoos must be biodegraded by up to 60% in wastewater from sewage sludge within 28 days.



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At the Brunswick site on Colonels Island in Georgia, chemical engineer Thomas Mikulencak and his team have further developed and introduced a flow chemistry process.

Natural and sustainable



**SHILPA PANICKER,
VICE PRESIDENT GLOBAL ORAL CARE,
SCENT & CARE SEGMENT**

■ Natural mint oils are one of the key ingredients we offer for toothpastes and mouthwashes, chewing gum and confectionery. Mentha Arvensis is one such mint oil cultivated by over a million small-scale producers in Uttar Pradesh, India. The supply chain is unique as there are several small holder farmers who often depend on intermediaries, and cannot yet dependably earn a living income.

Mint India is a transformative initiative, we have launched as a multistakeholder project that will allow us, alongside Mars, Tanager and the German Society for International Cooperation (GIZ) to improve farmers' lives and also cultivation practices. We are leveraging our diverse range of experiences in backward integration developed in our Bridging The Gap projects in Madagascar, Brazil and the Philippines.

Within a short period of time, 25,250 farmers are benefitting from the program. They receive comprehensive education on good agricultural practices (GAP) like crop rotation techniques and water management – these and various other measures can make cultivation significantly more sustainable. The farmers also gain access to processing and distillation techniques and financing through cooperatives. This means they can increase their productivity by 34% and their income by 157% per hectare. In addition, we also have several women and youth who are engaged in this program leading to higher empowerment for the individuals and enhanced quality of life for the families. Symrise also has a lot of advantages: The supply chain for incoming raw material is transparent and traceable, robust and sustainable. This has generated a lot of interest amongst our leading oral care customers, especially so as consumers today want to make a difference to the planet and demand greater transparency around what's in their products.

**SUSANNE BORCHERT,
SENIOR GLOBAL MARKETING MANAGER
FOR AROMA MOLECULES, SCENT & CARE**

■ The scent of lily of the valley is needed as a middle note in numerous fragrance creations. However, it is almost impossible to capture the scent of the real flower. While there is already a wide range of fragrance ingredients that can reproduce the characteristics of the smell of lily of the valley, some of them lack facets. That's why we have developed a new sustainable fragrance molecule called "Lilybelle®," which is a great addition to the variety of lily of the valley fragrances. It combines watery, ozony and green facets with a floral lily of the valley note. Lilybelle® is an ingredient in many compositions, which in turn are used in fine fragrances, personal care products such as body lotions, shower gels and soaps, or in household and textile care products.

Not only does Lilybelle® have a profile that is in demand, but its production is also special. Symrise produces the fragrance molecule according to the principles of green chemistry by using sustainable D-limonene, which is a byproduct of orange juice production. In the process, several catalytic steps minimize the environmental footprint. The result is that Lilybelle® has a high sustainability factor. 83% of the carbon atoms in the molecule come from renewable raw materials. It is also easily biodegradable, so it quickly breaks down into harmless components in the environment.



**FANNY RAKOTOARIVELLO,
RESEARCH AND DEVELOPMENT OF
AROMATIC PLANTS IN MADAGASCAR**

■ Vanilla is the main source of income for farmers in the SAVA region of Madagascar. However, they often don't earn enough with it to provide for their families for an entire year. It was important to us to help them earn regular income so they can be independent of money lenders and improve their standard of life.

We are therefore helping the farmers diversify their crops – for instance, with ginger, vetiver, mandarin oranges, patchouli, different kinds of pepper and bay leaves. These vary from region to region, depending on soil conditions and other environmental factors. Our support provides them with seedlings and young plants, offers training sessions on agricultural techniques, helps them tap into markets, ensures traceability back to the farm, and creates pathways to various certifications such as UEFT, Rainforest Alliance, UTZ, organic and Fair Trade.

Symrise also benefits from this: Since the farmers have additional income from the other crops, they can, for example, wait until the vanilla is fully ripe and provides the best quality before harvesting it. At the same time, through our on-site research and development, we can use the wide variety of raw materials to compile a sustainable, high-quality portfolio. Since a large part of my work consists of communicating with local producers and supporting them in the technical processes, I see how both sides continue to benefit.



Beverages

Sweet

Oral Care

**Fine
Fragrances**

**Consumer
Fragrances**

**Fragrance
Ingredients**

**Cosmetic
Ingredients**

Vegetable diversity

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Symrise processes hundreds of natural raw materials for food and beverage ingredients and more specifically flavors, fragrance ingredients and cosmetics. In order to generate synergies between the segments, the experts have been in close contact for years. A three-way dialogue about ginger and its diverse areas of application shows where the exchange of new ideas and know-how transfer can lead.

GOOD CORPORATE GOVERNANCE, INNOVATION AND DEVELOPMENT

■ The three experts sit down together and jump right into it. They each take a handful of pieces from the huge pile of ginger in the middle of the table and break it, smell it and taste small pieces. To them, every raw material is always exciting – for all senses. Now Maria Reichenbach, Rüdiger Hupe and Benoît Join get talking. Even though they each work in a different department, their work overlaps in many areas – namely research, the evaluation of trends and raw materials.

Ginger is a good example of this. For thousands of years, the aromatic, savory root has been used as a spice and also as a remedy, for example in traditional Chinese medicine or in Medieval Europe. Reichenbach uses the natural properties of ginger in cosmetic applications. The manager of the lab for cell and molecular biology has brought along a couple of creams that contain the spicy substance extracted from ginger. “This spice is generated by the gingerol and shogaol substance classes, which have an anti-aging effect here,” says Reichenbach, handing samples to both of her colleagues. “Both molecule classes demonstrably have an antioxidant effect and trap the free radicals created through external agents, which can damage human cells. Furthermore, they can greatly reduce redness, thus making the cosmetic ingredient a truly multifunctional substance.”

For the production, Symrise relies on an extraction method that uses CO₂ to generate an odorless liquid. “We need the positive properties of ginger, but we don’t want cosmetic products to smell like it,” explains the doctor in biochemistry. In contrast, Hupe likes the opposite effect. The flavorist has worked at Symrise for 15 years and is now active in the Research and Technology team. “We use the spice extract and ginger oils for the flavoring of sweets such as hard candy. Here we refer to the sense of taste through the mouth and nose,” says Hupe. For this, he has tested different kinds of ginger, which eventually led him to the raw materials from Madagascar. “There, our local teams established the connection to the farmers through our vanilla production. This is important because it allows for the roots to be processed fresh right after harvest in order to obtain the largest possible amount of important oils and other elements.”

Backward integration

For Symrise, the procurement of ginger in Madagascar works in the same way it does for many other raw materials grown there: The company integrated it backward into the value chain, which means that Symrise has been delivering pregerminated ginger roots to local farmers since 2014. At the end of the season, one kilogram of this produces six to seven kilograms, which the company then buys at a fixed price. This functions so well because,



This spice is generated by the gingerol and shogaol substance classes, which have an anti-aging effect here.



Maria Reichenbach
Lab manager for cell biology and microbiology



Maria Reichenbach uses the spice extract from ginger, which has an anti-aging effect.

Cosmetic
Ingredients



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Rüdiger Hupe uses spice extracts and ginger oils in a variety of products, including beverages.

Beverages

As Director Naturals in Perfumery and Oral Care, Benoît Join has a good overview of natural raw materials.



Fragrance
Ingredients



We use the spice extract and ginger oils for the flavoring of sweets such as hard candy. Here we refer to the sense of taste through the mouth and nose.



Rüdiger Hupe

Flavorist at Research and Technology team

as Join points out, ginger plays a big role in the cuisine of Madagascar. “It really helped that everyone grows ginger in their garden anyway. And just like everywhere else in the world, farmers first look at what their neighbor is doing before they try out something new,” declares the Director Naturals in the Perfumery and Oral Care division, who works intensively with the natural raw materials from Madagascar.

Ginger is but one of several raw materials that vanilla farmers in the island country off the southeastern coast of Africa can grow while their main product is out of season. Their income grows as a result. Symrise has promoted this diversification of different raw materials for many years now. By now, the different business units obtain products such as the roots of the fragrant vetiver grass, the seeds of the tamanu fruit from which a plant oil is obtained, green pepper, pink pepper leaves, cinnamon bark and red lemongrass. In addition to securing income for around 3,000 farmers and their families with whom Symrise works, the model also offers great advantages for the company: The availability of the certified organic products is secured while maintaining their quality.

Join adds that Symrise tries to increasingly carry out their processing close to the farmers to obtain the freshest possible raw materials while simultaneously avoiding the cost- and CO₂-intensive transportation of the roots. “The ginger oil is produced in part by the farmers through steam distillation or at the production site of Symrise on the island,” says the doctor of chemistry.

Fragrant synergies

Another method is CO₂ extraction, for which ginger is chopped up and dried. That also helps minimize transport because the weight and volume are reduced. “However, this method also involves the risk of losing volatile substances. Therefore, we must

always analyze how we produce,” says Reichenbach. Another oily liquid is also produced during CO₂ extraction, which Symrise then uses in perfumery under the name Symvital® Ginfuse.

The Symrise experts then move from raw material extraction to the technologies that each department uses. Reichenbach tells them about the experiments that she and her team carry out. For this, they use samples obtained from plastic surgery that involve the removal of excess skin and which are donated after the procedures. This way, they can produce an ex-vivo skin model and test the effectiveness of cosmetic ingredients. “We subject the skin model to an irritant trigger – which induces skin irritation. We then measure the signals of how the skin reacts to irritation-reducing ointments with ginger extracts,” explains Reichenbach. Join listens more closely because he still can’t carry out tests like this in the area of oral care. Both agree to discuss an “oral care model” at a later stage for inducing and treating mucomembranous irritation in gums.

The intensive exchange often generates new ideas, also for Hupe. He brought a soft drink that contains ginger. The three of them try the beverage and talk about its flavor, which is slightly spicy but mostly very aromatic and natural. They also discuss what will be possible in the future. Hupe wonders out loud whether the essential oils from CO₂ extraction could be further processed for premium quality flavorings. “Maybe it could also be used as a top note and component of a gin recipe or in other alcoholic beverages, maybe even for desserts in fine restaurants that are looking for something extra special.”



Sustain- ability is here to stay.

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For years, Symrise has integrated the topic of sustainability into its business processes. Chief Sustainability Officer Bernhard Kott explains in this interview how that is achieved. One thing is clear: The way to becoming a company that acts sustainably in all respects requires solid structures, a high level of innovation and total commitment.

GOOD CORPORATE GOVERNANCE, CLIMATE, BIODIVERSITY

As Chief Sustainability Officer, Bernhard Kott keeps an eye on all processes at Symrise that make the company more sustainable.

For some years now, Symrise has constantly included one factor in its communication: In addition to business targets and achievements, sustainability is always mentioned. Will it stay like that in the future?

■ For us, sustainability is part of our DNA and has become an integral component of our strategy. We neither want to nor can we continue without it. Therefore, we will continue to ask ourselves now and in the future whether each decision we make meets our ESG criteria – meaning whether our environmental and social interests as well as good corporate governance are considered. Because we can only conduct business successfully if we act sustainably. To answer your question: Yes, sustainability is here to stay. I think that, at some point, we will not communicate it as often because it will have truly become a matter of course.

In your view, what are the most important motivating factors to act sustainably?

■ There are several. One of them is, for example, the fact that we rely more and more on natural raw materials in all of our divisions. That means nature is one of the most decisive success factors for us. We will only be able to obtain and process sufficiently diverse raw materials of the highest quality in the future if we protect biodiversity, the climate and human rights. This is another reason we focus so intensively on backward integration in the countries of origin by entering into close partnerships and working to benefit the people who live there.

How do you keep track of the topic along the value chain?

■ In product development, we use the raw materials as efficiently as possible. We always search for new ways in the spirit of the circular economy to, for example, use waste products from our own



production for different divisions and product lines (See page 76 “Vegetable diversity”). Furthermore, we use sidestreams from other production processes and turn them into valuable materials (See page 70 “Everything flows”). Or we use our own proprietary technologies that generate added value where there was previously none (See page 86 „Creating added value”).

How well does Symrise know the environmental impacts of its products?

■ We developed a product sustainability scorecard for our 200 most important products. We also apply the production methods of Green Chemistry to them. This means we can determine the ideal production method to be as sustainable as possible.

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Symrise has analyzed the 200 most important products with a product sustainability scorecard.

63%

By 2025, Symrise wants to increase the eco-efficiency of its greenhouse gas emissions by 63 % compared to 2016 in terms of value added.

In what way do the stakeholders of Symrise influence this development?

■ The manufacturers of consumer goods that we supply all over the world have focused on sustainability for some years now. The consumers demand it and politicians enact laws – and reason also shows that climate change will not be stopped otherwise. From the very beginning, we enter into close partnerships with our customers in order to find cooperation models that allow us to work in both a sustainable and profitable manner. Together with NGOs, we have implemented projects around the world that allow us to optimize cultivation methods, train farmers, diversify and improve their income and thus protect biodiversity. These blueprints work very well and should be expanded to other projects. Because of that and also due to our activities at our sites, we have again been awarded the highest score by the Carbon Disclosure Project (CDP) in all three audited areas – “Climate change,” “Forests” and “Water protection.” This was only achieved by 14 out of more than 13,000 companies worldwide. We are the only one in Germany.

You mention the customers, but doesn't the financial market also exert considerable pressure?

■ Indeed, in a few years there will only be a few capital measures that don't take the sustainability factor into account. Last year, we received a € 500 million revolving credit line that incorporates our sustainability commitments. We defined three indicators that we must fulfill here: First of all, we want to increase our eco-efficiency by 63 % by 2025 compared to 2016, thereby reducing greenhouse gas emissions in relation to the value added. Secondly, we also want to obtain all of our strategic biological raw materials sustainably by 2025 and, thirdly, we want to increase the efficiency of water consumption at all production sites in arid regions such as Mexico, India and Egypt. If we achieve that, the interest of the loan will be reduced and, if we don't, it will be increased. Regardless of who pays more in the end, the sum will be donated to the “Save the Children” organization. Incidentally: The sustainability objectives are also embedded in Executive Board remuneration.

What structures have you built to achieve the sustainability objectives?

■ In addition to CEO Dr. Heinz-Jürgen Bertram and myself, who determine the strategic direction to a large extent, our Sustainability Board includes sustainability specialists from all business units – including Human Resources, Communications, Investor Relations and the individual divisions. We are joined by a network of over 150 sustainability ambassadors based all over the world. I find it very impressive that their involvement takes place exclusively in their free time. They start their own initiatives in which they themselves get involved.

What is their aim?

■ An example is the Sustainable Living Space in Brazil, which was founded by some of our employees. It offers children a space to learn about environmental topics and it is also a place that employees can use (See page 48 “A commitment to sustainability”). Another very new development is that we will have our first sustainability ambassadors among our trainees this year. We promote this initiative and look forward to many exciting ideas – especially those that can make a huge difference, like our new way to deal with plastic. In 2020, we largely banned disposable plastic products, and we want to recycle more than 95 % of the plastic we use and introduce sustainable packaging materials across the Group by 2025. In order to achieve that, we established a cross-functional team last year.

You mention teams, and one of the goals here is to create more diversity. How do you plan to achieve that?

■ For us, it is very clear that diversity – of gender, age, disability, sexual orientation, ethnic background, religion and world view – is important and must be promoted. In the future, we want to create more diverse groups and more positions for people with disabilities and continue to deal with the topic that has received the most public attention: the advancement of women. By 2025, the share of women at the first level of management should be 30 %, and 45 % at the second level.



We were the first company in the industry to commit to the Science Based Targets, meaning science-based and also approved targets for our climate protection activities.



Bernhard Kott
CSO

In the previous year, you launched the new Symsafe occupational safety campaign. Why is that necessary?

When it comes to occupational safety, there is room for improvement at Symrise. In 2021, we recorded a MAQ value of 3.8, which equals the number of work accidents with at least one lost day per million work hours. Our target is less than 1.5. In Germany alone, we recorded 270 accidents. Luckily, they were mostly accidents such as stumbling, falling or cutting. But any accident could end with serious or permanent injuries. For us as a company, that is unacceptable – our employees should be able to return home as healthy as when they arrived to work.

Why are the numbers so high?

It is due to a combination of factors. One of them certainly is our rapid growth dynamic, in the wake of which we opened new production facilities or, in some cases, had to work on weekends or special shifts. It also has to do with individual behavior, lack of attention or the typical attitude of “I’ll be fine.” Symsafe therefore focuses on finding ways for us and employees to identify and avoid risks, be more attentive, share knowledge and introduce control mechanisms in many more areas.

In conclusion – what are your goals? Do they still include becoming climate-positive starting in 2030?

We were the first company in the industry to commit to the Science Based Targets, meaning science-based and also approved targets for our climate protection activities. They remain in place despite our growth and the fact that our progress in relation to CO₂ emissions has seen some slight setbacks due to acquisitions. Starting in 2022, we will also set clear requirements for our suppliers and sub-suppliers relating to upstream emissions. That way, we will have a more exact picture of our value chain. Always with a firm grasp on our goal: climate-positive operations as early as 2030.



Creating added value



Sustainable economy is a real challenge for the industry: using the byproducts from the food industry and turning them into valuable products, minimizing transport routes – all while maintaining quality standards. Symrise recognized the advantage of further utilization of co-products 20 years ago and developed the patented SymTrap® technology.

INNOVATION AND DEVELOPMENT

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■■■■ Jennifer Bufalo opens a bag of cloves. The biologist with a PhD in her field breathes it in and tries to recognize the full scent profile. Then the lab head, who is primarily concerned with natural substances for the Scent & Care unit, wonders what ingredient from the clove could lend a new olfactory element to a traditional perfume ingredient. Symrise has been using the essential clove oil for decades as a product, for example, in the area of dental care or in perfumes. Most essential oils are created through steam distillation. This process involves entraining the fragrance molecules in the vapor and then condensing it into liquid form. The essential oils are collected, and a lot of water is produced as a byproduct. There are more valuable ingredients in there: small amounts of intense and very volatile molecules that still smell strongly of cloves even after the essential oil has been separated.

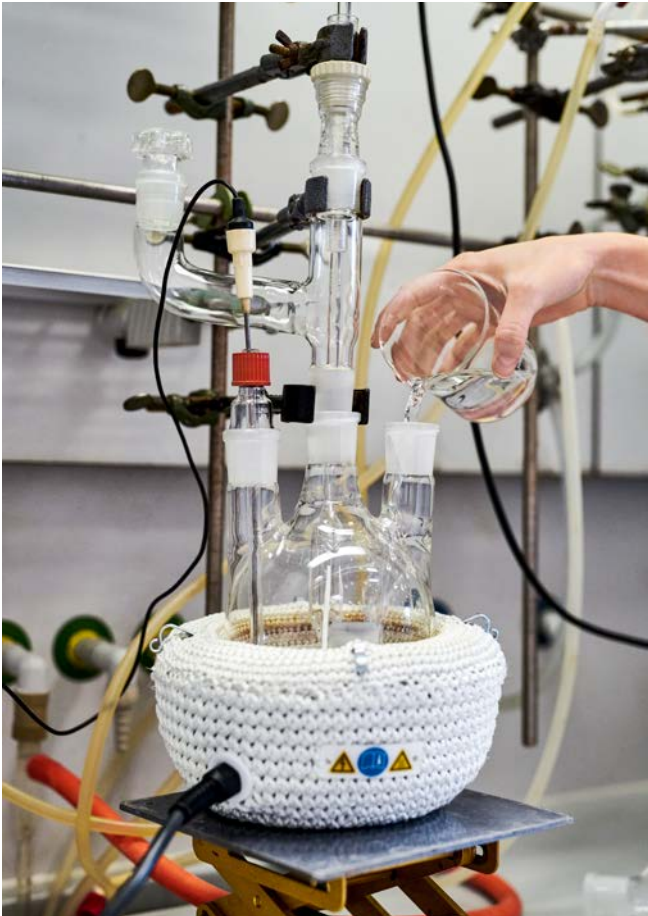
Bufalo has been working for Symrise in Brazil since 2015 and has been heading the lab in Holzminden for a few months now. In her hometown, she made a discovery while visiting a supplier. “I found a few containers there and, after asking what was in them, was told that it was the leftover water from the clove distillation that gets thrown away.” She gets curious, smells the liquid and instantly recognizes that she has discovered something special. She takes a sample and shows it to two Symrise perfumers, Fanny Grau and Isaac Sinclair, who confirm the peculiarity of her find: They had never smelled a clove scent like this.

Bufalo recognizes the potential of the original byproduct and prepares it in the lab. For this, she uses the SymTrap® process and what is known as the aqueous phase. Symrise developed and patented it 20 years ago. The liquid first passes through the adsorber column while specific temperatures or pressure levels are maintained – Bufalo won't reveal the exact conditions. After the process, the fragrance molecules remain suspended in the equipment and are then dissolved out again by means of a food-grade and natural extraction agent. The liquid byproduct from the distillation process produces a new product that differs from essential clove oil in odor and is therefore ideally suited as an exclusive additional material in fragrance blends.

Reprocess natural byproducts

Thanks to the SymTrap® process, co-products can be recycled. Just a few buildings away from Bufalo's laboratory, a dozen silver columns about 1.50 meters high stand in a high rack. Lab manager Dominik Winkler knows his way around the SymTrap® technology. “We are working at two levels: The aqueous phases are either delivered directly to us and we get the molecules out with the help of SymTrap®, or we install small facilities directly where

SymTrap® can concentrate natural scents once or also thousands of times over.



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the aqueous phases start.” The advantage of the latter is that we don’t have to transport the large quantities of liquid around the world – this reduces emissions and costs.

In the meantime, Symrise has created hundreds of scents and fragrances with the SymTrap® process and 40 to 50 of them are in the current portfolio. Apples, red and citrus fruits, nuts and malt can also be utilized like this. Manufacturing non-alcoholic beer or processing coffee beans for instant coffee can also involve the use of aqueous phases. “With technology, we can process natural byproducts and capture and concentrate aromas,” says Winkler. Another positive effect: The leftover water is clean and can be piped back into the environment.





Dominik Winkler is one of the experts for SymTrap® technology in the Taste, Nutrition & Health segment as laboratory manager.

SymTrap® also allowed for the creation of a complex flavor profile in a lot of products. “Oranges, for examples, are pressed where they are grown and the juice is concentrated via a dehydration process. The concentrate has a lower volume and can be transported at a lower cost and with less CO₂ output,” says Winkler. The disadvantage is that the orange juice tastes flatter than freshly pressed juice when it is rehydrated at its final destination. It’s missing the aroma molecules from the water that was removed. “With SymTrap®, we can put these back in the product.”

Get valuable ingredients

Another argument for using the SymTrap® process on site: The aqueous phase goes off very quickly. If it is processed right after harvest, the valuable substances are still there. For this reason, Symrise has installed sophisticated systems where a lot of raw materials grow – in Germany, France, Spain, Poland, Brazil, South Africa and Japan. In these facilities, cartridges with the absorber material, which are replaced regularly, collect the aroma molecules. In Symrise production, a food-grade extraction agent dissolves them out again. These natural aroma concentrates are then used as natural building blocks in scents or fragrance creations, for example, and can also be applied to a carrier via spray drying.

Back to Bufalo’s lab: “Of course, there are challenges, too,” says the scientist. “With natural materials the quality often varies with the season and harvest time. We put a lot of value on the standardization of products, and this means we have to develop methods.” This is why the constant exchange of knowledge with her colleagues from the other divisions is important. The Taste, Nutrition & Health colleagues in France have developed the “Garden Lab,” for example, with the help of Dominik Winklers team. The name arises from the Fine Fragrances department: “Our colleagues extracted volatile aroma molecules from the aqueous phases that result from the manufacture of vegetable puree.” These can, among other things, give the purees back their full flavor, just like with the orange juice, and are also used rather unusually at first glance: Symrise Fine Fragrances has integrated a wide variety of diverse molecules from asparagus, leek, cauliflower, artichoke and even onion into its fragrance creations. “They come from the byproducts of a completely different production and now give a kick to new fragrance compositions – that is really a special innovation,” emphasizes Bufalo.



In the lab, Jennifer Bufalo works on new solutions for the Scent & Care segment at Symrise.

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With natural materials the quality often varies with the season and harvest time. We put a lot of value on the standardization of products, and this means we have to develop methods.



Jennifer Bufalo
Lab head



**REGINE LUEGHAUSEN,
VICE PRESIDENT GLOBAL MARKETING
FOOD & BEVERAGE**

Innovative processes

■ Nowadays consumers have increasingly growing expectations towards food – therefore we offer only high-quality taste solutions. To create these, we have always relied on science-based taste creation. With proprietary Symrise upcycling technologies like SymTrap® we can harvest natural ingredients sustainably and constantly expand our rich library of innovative raw materials.

Gas chromatography (GC), olfactometry and our in-house LC-Taste® are also key technologies used by Symrise experts to identify flavorings. Furthermore we use so-called “artificial mouths” to assess the performance of a flavor when it is eaten, e.g. taking into account the impact of saliva and mouth temperature. On top of that we also use artificial intelligence. Leveraging predictive modeling, it helps us to scan our portfolio at extremely high speed for suitable ingredients with desired characteristics.

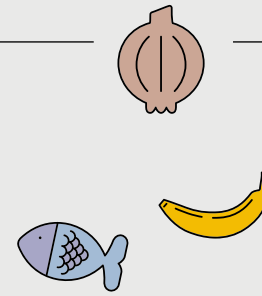
These and several other future-oriented technologies work in synergy and perfectly complement the abilities of our employees. They can identify ingredients and creatively produce new compositions. We also rely on expert and consumer panels, which help to match our products with consumer preferences. Through the combination of science and artistry, we support customers by developing natural and innovative taste solutions delivering against consumer needs.

**NICOLAS BALON,
PROJECT ENGINEER FOR SYMRISE PET FOOD
IN THE ASIA/PACIFIC REGION**

■ The APAC market for pet food is dynamic and very attractive, and it is expected to grow by a significant 19% between 2021 and 2026. It is a tremendous opportunity for us and with our high-value solutions, we are willing to make an incredible contribution to this growth! In order to be able to answer this market demand, we had to expand our former plant. That's why we decided to build a new, state-of-the-art production site at a different, much larger location in the same city of Chuzhou.

From there, we can now process our natural raw materials into the best products for our customers. We use fresh or frozen chicken and beef byproducts and, for special recipes, fish processing sidestreams to produce powder and liquid products. We have also equipped the plant with a large product development center and all the lab equipment our analysts need. As the first site in the Asia/Pacific region, Chuzhou also features the integrated expert measurement center Panelis, which we use at sites around the world. Panelis is where we observe food acceptance by cats and dogs.

Just like the rest of our new pet food sites, this plant is LEED-certified, at the coveted silver level. At the plant, we use low-consumption or highly efficient electrical equipment for light fixtures and air conditioning. We have also insulated the buildings well and installed taps with low water consumption. We are also supporting the use of electric vehicles by providing charging stations for e-bikes and electric cars. This is how we've prepared for a successful future in the region.



**THIERRY LENICE,
HEAD OF THE SIDESTREAM UPCYCLING
PLATFORM IN THE BUSINESS
INCUBATION GROUP FOR TASTE,
NUTRITION & HEALTH**

■ One of the tasks of our Sidestream Upcycling Platform is to find sensible ways to recycle the by-products of meat, seafood, fruits and vegetables processed in our factories of Naturals, Business Unit of Symrise Food & Beverage. We are developing natural processes to achieve this, one of which is bioconversion. Bioconversion involves feeding flies larvae with fruit and vegetable byproducts for roughly seven to nine days. From the larval stage to their mature stage, the larvae absorb a very high amount of protein and concentrate some compounds. Once they are mature, we freeze the larvae and use them to produce two end products: insect flour, which we aim to use in products for aquacultures and pet food, and insect oil, which can be used as a technical ingredient in cosmetics and other areas. We also collect all the waste the insects produce and have it spread on fields as organic fertilizer.

In our tests so far, we have tried out six different sidestreams, including celery, onion pomace and banana peels. The process works – now we want to know which products have which benefits, for instance, if a specific kind of insect flour can demonstrate health benefits thanks to the compounds bioconcentration like beta-carotene. Over the next few months, we will evaluate how these products can be used and also how they can be produced on a larger scale.



Leitlinien

Vision

Rollen und Funktionen

Tesium

Symsafe Roadmap

Symportal Community

Staying

For the coming years, Symrise has also taken up the issue of occupational safety as part of its sustainability strategy, which only plays a role for extreme events in the public eye. But we need to keep in mind that there is a person behind every accident. With the Symsafe campaign, the company is now making sure across the Group that safety and health are part of everyday work.

GOOD CORPORATE GOVERNANCE, SOCIETY

on the

safe side



It's 1:00 p.m. A special shift awaits the warehouse team of the Symrise subsidiary Symotion in the atrium of Symrise AG: This team, consisting of eight men and women who ensure every day that the products of the Group are sent out all over the world, were about to take part in their first kick-off event as part of Symsafe – the occupational safety campaign that Symrise started last year across the Group. The two-hour workshop, intended to achieve the objective of the long-term campaign with different modules – more occupational safety, fewer accidents, and therefore also fewer health risks for the employees – then started after a short introduction.

The meeting, which is held as a kick-off event at all departments at Symrise, started off by asking participants for all kinds of information. Cosima Hebestadt, member of the project team, who is currently completing her cooperative studies towards a Bachelor of Business Administration in the communications department, carried out the safety culture check. This check determines the status quo of occupational safety within the particular department. In the questionnaire, the employees answer around 25 questions on issues such as leadership, communication, participation, error culture, teamwork and safety organization, which Symsafe is based on. During the remainder of the workshop, she evaluated the responses and concluded by presenting the fields that showed the greatest need for development. Philipp Müller, external occupational safety consultant, and Kristin Frese, external coach for changing work culture, then took over together with the Symrise occupational safety team. They introduced initial occupational safety concepts and got the employees actively involved, for example with a "World Café." During this activity, they asked employees questions about specific topics at three different tables and then asked them to write them down on the tablecloths and discuss them afterwards. One of the discussions centered around why you should be mindful of occupational safety in the first place. In the end, the participants had written down keywords such as "consequences," "involvement in decisions," "teamwork" and "risks" on the tablecloth.

At the Symsafe kick-off event, employees learn about the measures that make up the occupational safety campaign. The main focus here is on employee participation.

An MAQ value of less than 1.5

These keywords describe very well what SymSAFE is all about. Bernhard Kott, who is responsible for all sustainability issues at the company as Chief Sustainability Officer, also attended the event that day. He explained why Symrise launched the campaign: “For one, our accident numbers are very high. In Germany alone, there were 270 accidents in 2021,” said Kott. While the number itself is one thing, each number represents an individual who has suffered an injury. “We don’t want to just accept that anymore,” said Kott. He followed this up by pointing out that many accidents at Symrise did not result in serious consequences, but that they always could end up being more severe injuries. This is why the company has set itself the goal of achieving a MAQ rate of less than 1.5 by 2025. This rate represents the number of workplace accidents with at least one lost day per one million work hours.

A host of measures and tools are meant to pave the way to fewer accidents. SymSAFE is a comprehensive system that is founded on numerous pillars. “It doesn’t really take much to avoid most accidents. This is why we primarily want to sensitize and train employees so that they are in a better position to recognize, assess and prevent hazards,” said Jessica Hildebrandt, a project leader. She went on to explain that the technical equipment and safety features that Symrise offers represent the framework, but that the attitude with which employees approach their work is just as important. At the same time, the company intends to impart significantly more knowledge, such as with tools like short daily meetings or analyzing accidents that actually occurred as well as almost-accidents. “Occupational safety should become a core component of day-to-day work,” said Hildebrandt. “And that will only work when we get employees involved and see them as experts for their workplace. If we fail to do that, we will only find short-term solutions that will not result in sustainable safety culture.” Overall, around 30 different tools are in use, according to Peter Asche, who as head of the Symrise occupational safety team at the Holzminden site was decisively involved creating SymSAFE together with his employees. “We have laid out all the measures on a five-year roadmap, which we also introduce in the kick-off workshop. We will install these measures selectively or permanently at the company on this basis.

1.5

Symrise has set itself the goal of achieving an MAQ value of less than 1.5 by 2025.

Executives take on a particular role in the process, which is scheduled to last several years. They are meant to not only see this campaign as an important component of their work for themselves, but to also promote it and hold their employees to it. Special workshops are held for these employees – all the way to the top – to increase their awareness of the topic and their responsibilities, rights and duties. To support this, the occupational safety objectives will also be included as part of the portion of executive bonus compensation linked to the non-financial company objectives starting in 2023. “The issue belongs to the ‘Care’ pillar of our sustainability strategy. For this reason, it should be viewed in the same way as all other annual targets,” Hildebrandt explained.

SymSAFE also evolved once again in late 2021. Since the issue of occupational safety plays an important role in many cases, colleagues in the Taste, Nutrition & Health segment in France had also set out on the path to develop a new safety culture. In most cases, both approaches netted the same results – but there also were nuanced differences in the approach. “We combined both processes into one campaign, which resulted in an excellent outcome,” said Bernhard Kott. One example is the guidelines that the teams developed. “While the eleven guidelines of the experts from Germany were based more on behavior, the ten guidelines from the French experts focused on safe working, identifying hazards and creating conditions for a safe workplace,” explained Kott. “We, along with many other parts of the Group have also benefited from the synergies that the different ways of thinking have produced. Now, after intensive planning, we will also move into successful implementation.”

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Sustainability & Responsibility

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In our sustainability reporting, we comply with the 2016 GRI Standards version of the Global Reporting Initiative (GRI) guidelines including the most recent updates from 2018, 2019 and 2020.

We prepare our Sustainability Report in accordance with the “Comprehensive” reporting option of the GRI standards and thus fully account for all material topics. As an active member of the Global Compact, we adhere to its universal principles for responsible corporate management as well as to the Sustainable Development Goals (SDGs) of the United Nations. We actively contribute to achieving the SDGs along our value chains, from the generation of raw materials and product development to customer relationships.

Our sustainable efforts occur on three key levels: responsible sourcing; climate protection and emission reduction; and responsible use of raw materials. Because we have significant influence over these three areas and thus bear particular responsibility for them, they are the focus of this chapter. Sustainable partnerships and dialogue with our stakeholders are a main starting point and a motivation for us. With this in mind, the following pages present several of our internal and external partners and their perspectives on our key topics.

We have integrated all other quantitative and qualitative information on sustainability at Symrise, our strategic approach, and the management concepts associated with our key topics into our Sustainability Record in line with GRI. We thus fulfill the requirements of the German CSR Directive Implementation Act (CSR-RUG) in accordance with Section 289b (3) of the German Commercial Code (HGB). All information has been externally audited in accordance with the AA1000 Assurance Standard.

2021 Highlights

70 %

of our suppliers¹ integrate water into their strategies and long-term business targets.

36 %

reduction of our Scope 3 greenhouse gas emissions between 2016 and 2020.

83.6 %

of our strategic biological raw materials derived from sustainable sources.

SBT 1.5 °C

The Science Based Target Initiative approves Symrise’s target with the highest level of ambition currently possible.

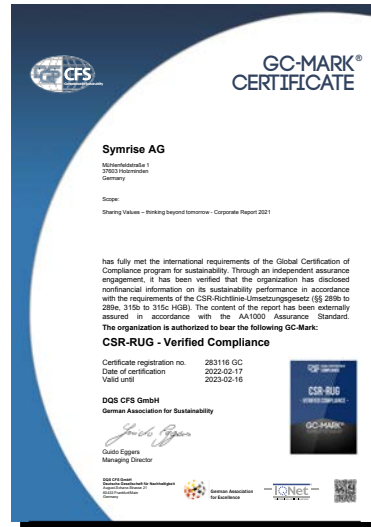
¹ Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program.

NEW PARTNERSHIPS IN 2021

Joining and signing the following new initiatives, commitments and collaborative alliances

- Business Declaration for Food Systems Transformation
- 10x20x30 Food Loss and Waste Initiative
- AIM-Progress
- The French Business Climate Pledge
- UN Race to Zero & Exponential Roadmap Initiative

Publications on sustainability 2021



Focus Corporate Report

- Integrated corporate strategy
- Central non-financial management key figures
- An overview of sustainability management
- Key topics and Sustainable Development Goals (SDGs)
- Sustainability rankings and ratings

Focus GRI sustainability Record

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

Available at:

www.symrise.com/corporatereport/2021/en/sustainability-responsibility/sustainability-record.html



All company and GRI reports as well as all sustainability guidelines and standards are available for download on our website: www.symrise.com/sustainability/reports-policies-standards-audits/#our-cdp-reporting

There you will also find the 2021 CDP questionnaires on climate, water and forests.

2021 Ratings & Rankings



CDP: Among the top 14 in the world

█ Fighting climate change, protecting the water supply and conserving forests – every year, the renowned non-profit organization CDP assesses which companies have been especially active in these three categories. In 2021, Symrise achieved the highest award of A for the second time in all three categories – climate, water and forest. This makes us one of the top fourteen participating companies and the only one from Germany on what is known as the triple A list.

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MSCI: A rating since 2015

█ The US-based company MSCI is a leading sustainability rating agency and provider of highly respected sustainability share indices. Since 2015, MSCI has ranked Symrise in the A category, which attests to its above-average sustainability performance. In its analysis, MSCI highlights that Symrise has an impressive strategy to minimize the effects of its operating activities on the environment.



ISS ESG: Prime

█ In its regular review of the sustainability performance of Symrise, the internationally leading rating agency ISS ESG confirmed our company's prime status. In the scope of our last valuation, Symrise was among the top 10% of companies in its sector. The ESG rating from ISS – E for environmental, S for social, G for governance – covers nearly 10,000 companies globally, the majority of which are listed.

EcoVadis: Platinum status 2021

Following seven gold medals, the rating agency EcoVadis awarded Symrise platinum status for the first time in 2021 for its proven sustainability performance. With a score of 75/100, Symrise is in the top 1% of companies rated by EcoVadis. EcoVadis assesses companies worldwide in the four areas of environment, social aspects, ethics and sustainability in the supply chain. In addition, we use the EcoVadis databank to evaluate the sustainability performance of our suppliers. In line with our Responsible Sourcing Policy, we challenge our business partners who have been placed in the “Bronze” category by EcoVadis to strive for Gold status. If a supplier receives a classification below the Bronze category, this could lead to termination of the business relationship.



SUSTAINALYTICS ESG Risk Rating

SUSTAINALYTICS continuously analyzes and evaluates companies' risks in the areas of ESG. A number of financial service providers and institutional investors across Europe use the services of the agency as a basis for decisions related to investment and credit. Symrise was last rated in 2020: The risk score of Symrise ranked 20th out of 133 in the chemical industry at the time of valuation.



FTSE4Good Index

The Symrise share has been included in the FTSE4Good index since the end of 2015. This index comprises the securities of companies that achieve outstanding results in the areas of the environment, social aspects and corporate governance (ESG). At the regular audit in June 2020, Symrise received very good ratings in all categories and has been included in the index for another year. More and more institutional investors, banks and insurance companies are including sustainability criteria in their assessment of the creditworthiness of companies.



Sustainability management

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

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Sustainability as a business principle

Our business processes follow the principles of the circular economy to a wide extent. We bundle the aspects of sustainability that are relevant to Symrise into the four pillars of environmental protection (Footprint), sustainable innovation (Innovation), raw material sourcing (Sourcing) and employees and society (Care). Concrete goals to be reached by 2025 have been established for each pillar (see page 33). These are directly related to our key topics and are derived from a number of programs, including the United Nations Sustainable Development Goals (SDGs). Our business model uses this comprehensive approach to combine economic success with sustainable governance and social acceptance.

We are all called upon

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

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

Chief Executive Officer



Dr. Heinz-Jürgen Bertram,
CEO

Chief Sustainability Officer



Bernhard Kott,
CSO

Sustainability Board



Arnaud Bellon,
Sustainability
Cosmetic Ingredients



Mark Birch,
Sustainability Taste,
Nutrition & Health



Dr. Marcus Eh,
Sustainability Aroma
Molecules



Tobias Erfurth,
Investor Relations



Dr. Helmut Frieden,
Corporate
Sustainability



Doris Gattermann,
Corporate
Sustainability



Marie Le Henaff,
Sustainability Taste,
Nutrition & Health



Sascha Liese,
Corporate
Sustainability



Friedrich-Wilhelm
Micus, Corporate
Communications



Philippa Smith,
Sustainability
Scent & Care

In a dialogue with stakeholders and rating agencies

Symrise receives a great deal of external recognition for its commitment to sustainability. For instance, we have already been presented with the German Sustainability Award twice. In addition, the German Association for Sustainability presented Symrise with the “Sustainability Heroes Award” two years in a row – for the Symrise sustainability strategy in 2020 and for “social engagement” in 2021. In 2021, we were also the only company in Germany and one of 14 companies worldwide to receive the first-class Triple-A CDP rating in the climate, water and forests categories for the second time in a row. We’re proud of this, and it encourages us to intensify our sustainable activities. At the same time, we face mounting challenges, including the increasingly negative consequences of climate change on nature, biodiversity and natural resources as well as the serious effects of the spread of the coronavirus on global supply chains and people around the world. Symrise seeks a dialogue with all relevant stakeholder groups in order to discuss current developments and to meet the needs of various stakeholders regarding sustainable governance. Examples of dialogue platforms are the various WBCSD committees, global representative bodies IFRA and IOFI, and initiatives such as OP2B and the Development and Climate Alliance. We exchange sustainability information particularly closely with the company’s shareholders, investors, voting proxies and rating agencies. Rating agencies MSCI, Sustainalytics and ISS ESG provide especially high-quality and efficient communication of our ESG performance to investors. Moreover, our sustainability performance is regularly evaluated by internationally recognized institutions such as CDP, EcoVadis and SEDEX. Customers as well as investors are interested in the continued development of our sustainability reporting, which will increase the transparency of our business processes and allow for better assessment of the opportunities and risks inherent to our business activities.

More than 150 Sustainability Ambassadors worldwide

More than 11,000 employees in more than 40 countries

Goals and management of our sustainability topics

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You can find a thorough description of our management approaches with goals and descriptions of measures for all sustainability topics in our on-line sustainability record under:
www.symrise.com/corporatereport/2021/en/sustainability-responsibility/sustainability-record.html

TOPIC	SELECTED GOALS
Responsible sourcing	Increase the share of our suppliers ¹ rated according to sustainability criteria to 100 % by 2025. Responsible sourcing of all strategic biological raw materials by 2025.
Climate protection & emission reduction	Symrise will be climate-positive starting in 2030.
Responsible use of raw materials	Annual reduction of 4 % of chemical oxygen demand (COD) in wastewater as well as our sensitive waste through increased eco-efficiency by 2025, or by a total of 60 % compared to 2010.
Good Corporate Governance & Compliance	By 2025, we are planning for an above-average global tax rate of 26 – 28 % . Ensure that all Symrise sites are audited in accordance with relevant standards.
Sustainable partnerships	Establish and increase trust, knowledge transfer and synergies between Symrise companies and NGOs, suppliers, political institutions and local partners.
Innovative & sustainable product design	Annual development of new products consistent with sustainability criteria; these products account for a share of sales of more than 15 % over the past three years.
Responsible use of water	Reduction of water consumption by 15 % at all production sites in arid regions by 2025.
Protection of biodiversity	Responsible sourcing of all strategic biological raw materials by 2025.

GOAL ATTAINMENT 2021	MANAGEMENT-METHODS	VALUE CHAIN	SDGS
<p>72.7% of our suppliers¹ assessed according to sustainability criteria.</p> <p>Sustainable sourcing of 83.6% of our strategic biological raw materials in 2021.</p>	Supplier screening, certifications and audits; involvement in international (industry) initiatives (SAI, FSC, CDP Supply Chain program, Rainforest Alliance, RSPO, GIZ, Save the Children, IFFO, etc.)	Raw materials	  
<p>Reduction of our Scope 3 greenhouse gas emissions by 36% between 2016 and 2020. By 2025, we want to increase the eco-efficiency of emissions by more than 15% compared to 2020.</p> <p>85% of our suppliers² report greenhouse gas emissions.</p>	TCFD commitment, CDP climate change	<p>Product development & manufacturing processes</p> <p>Customers & consumers</p>	    
<p>Efficiency of chemical oxygen demand in wastewater³ increased by 34.8% in the reporting year – due to almost halving COD at the Jacksonville site in the United States. Increase in efficiency of sensitive waste³ by 2.2% – goal missed mainly due to the commissioning of an additional site in China.</p>	Green chemistry approach, recovery through patented SymTrap [®] process	<p>Raw materials</p> <p>Products & manufacturing processes</p>	     
<p>In 2021, our effective Group tax rate was 25.6%.</p> <p>100% of Symrise sites audited in accordance with relevant standards.</p>	Further development of the Integrated Management System (IMS), external certifications, internal and external audits.	<p>Raw materials</p> <p>Product development & manufacturing processes</p> <p>Customers & consumers</p>	       
<p>Continuation of long-term project partnerships. Joined new initiatives in 2021, including Business Declaration for Food Systems Transformation, AIM-Progress, The French Business Climate Pledge, UN Race to Zero & Exponential Roadmap Initiative.</p>	Involvement in a variety of international industry collaborations, partnerships and pre-competitive approaches.	<p>Raw materials</p> <p>Product development & manufacturing processes</p> <p>Customers & consumers</p>	       
<p>With 16.7% of sales from new product developments⁴, we have once again exceeded our target value in the reporting year.</p>	<p>Market and trend research, consideration of regulatory requirements, product sustainability scorecard, green chemistry approach</p> <p>Integrated management system, Nagoya Protocol Committee, Nagoya policy</p>	<p>Product development & manufacturing processes</p> <p>Customers & consumers</p>	    
<p>Water consumption at all sites in Egypt, India and Mexico increased by 7.2% – mainly due to a 13.7% increase in production volumes.</p> <p>70% of our suppliers² integrate water into their strategies and long-term business targets.</p>	Symrise water policy, CDP water	<p>Raw materials</p> <p>Product development & manufacturing processes</p>	     
<p>Sustainable sourcing of 83.6% of our strategic biological raw materials in 2021.</p>	<p>Sustainable supply chain management, raw material certifications, backward integration, CDP forest</p> <p>Involvement in a variety of international (industry) initiatives.</p>	Raw materials	  

Goals and management of our sustainability topics

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TOPIC	SELECTED GOALS
Product quality & safety	Maintain a high level of product safety management .
Compliance with human rights	Increase the share of suppliers ¹ rated according to sustainability criteria to 100 % by 2025.
Occupational health & safety	“Zero-accident culture” and reduction in frequency of accidents to MAQ < 1.5 by 2025.
Facility safety	Maintain a high level of safety management at the facilities.
Employee development & advancement	Maintain and expand training courses and employee support at all sites.
Diversity & equal opportunity	At least 30 % , women at the first global management level directly below the Executive Board and at least 45 % women at the second global management level by 2025. Long-term target of 20 % women on the Executive Board.
Employer attractiveness	Maintain and increase site attractiveness , establish Symrise as an “ employer of choice ”.
Animal welfare	Fulfill animal welfare standards in our supply chain. 100 % of our chicken-based raw materials in Europe procured from sustainable sources by 2026.
Support of local communities	Maintain and expand collaboration with local partners and communities.

¹ Based on 80 % (until 2020) or 90 % (from 2021) of the purchasing volume. This reflects the expansion of our supplier screening and sourcing goal in light of the Supply Chain Due Diligence Act.

GOAL ATTAINMENT 2021	MANAGEMENT-METHODS	VALUE CHAIN	SDGS
<p>No significant product safety incidents in 2021.</p>	<p>Internal and external audits; safety certifications</p>	<p>Product development & manufacturing processes</p>	  
		<p>Customers & consumers</p>	 
<p>72.7% of our suppliers¹ assessed according to sustainability criteria.</p>	<p>Internal and external audits and certification; supplier screening (SEDEX/EcoVadis) and supplier audits</p>	<p>Raw materials</p>	  
		<p>Product development & manufacturing processes</p>	  
<p>Routine management safety visits by global managers.</p> <p>Continuous implementation of the „Drive to 100 % Safety“ project through company-wide initiatives and training.</p>	<p>Management safety visits, ISO 45001 as of 2020, both internal and external audits, continuous safety training courses</p>	<p>Product development & manufacturing processes</p>	  
<p>No significant facility safety incidents in 2021.</p>	<p>Internal and external audits, certifications and inspections</p>	<p>Product development & manufacturing processes</p>	  
<p>Launch of the global digital talent management platform with various training courses and options to digitally manage individual development plans in 2021.</p> <p>80% of classroom training replaced with online training due to the coronavirus pandemic.</p>	<p>Talent management, personnel development and employee recruitment</p>	<p>Product development & manufacturing processes</p>	  
<p>Of the 10,971 employees worldwide in 2021, 4,434 were women. This corresponds to a proportion of 39.5%.</p> <p>The share of women at the first level of management beneath the Executive Board amounted to 20% in 2021; at the second level of management it amounted to 38%.</p>	<p>Integrated Management System, talent management, employee recruitment</p>	<p>Product development & manufacturing processes</p>	  
<p>Recognized among the top 10 companies in the chemical industry as one of the most “family-friendly employers 2021” in Germany and Austria by employer review platform kununu.</p>	<p>Site activities, employee recruitment</p>	<p>Product development & manufacturing processes</p>	  
<p>Drafting of a global guideline on handling animal experiments in 2020.</p> <p>Sourcing policy in the works that regulates the handling of animals used in the production of animal raw materials.</p>	<p>Animal welfare policy, commitment to international animal welfare standards with partners, supplier qualification, supplier assessments and audits, traceability</p>	<p>Raw materials</p>	  
<p>Tailored support for local communities (charitable, social) in areas where Symrise sources its strategic raw materials.</p>	<p>Needs assessments according to site</p>	<p>Raw materials</p>	  

² Share of our suppliers defined as strategic in the reporting year who took part in the CDP Supply Chain program.

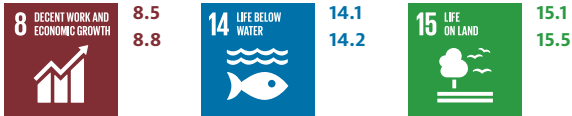
³ All figures relative to the value added.

⁴ Relative to market launch in the past three years.



Focus on materiality: Responsible sourcing

Symrise can only be as good as its suppliers. Our supply chains are extensive and often begin with small-scale farmers, which makes it all the more important to define the conditions for responsible sourcing.



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Strengthening responsibility in the supply chains

Symrise works with more than 5,000 suppliers which provide the company with raw materials and services. It is an enormous challenge to procure these services in a sustainable and fair manner; at the same time, this presents an opportunity for Symrise to reinforce supplier relationships over the long term and to foster partnerships. Symrise has defined the conditions for responsible sourcing in its sourcing policy and its Code of Conduct, which apply to all suppliers. Symrise is also currently working on a Supplier Code of Conduct that will take effect in 2022. For integrating its suppliers in this way, Symrise made it onto the CDP rating's Supplier Engagement Leaderboard in 2020 for the first time. The Leaderboard is a list of the top performers of the 9,600 companies assessed by CDP. Symrise also established a Responsible Sourcing Steering Committee (RSSC) in 2021 to implement the company's own due diligence. The decision-making

body defines the processes for assessing suppliers and undertaking corresponding measures, as well as for embedding the assessment criteria in the business processes. This not only makes our supply chains more resilient, but also allows us to fulfill the requirements of our stakeholders.

Within sight: 100 % of suppliers with a sustainable rating

Our aim is to make our supply chains more sustainable on a continuous basis – both socially and environmentally. For this reason, we plan to assess the sustainability of all our suppliers (raw materials and services) by 2025. We also aim to increase the number of our suppliers that establish their own environmental goals through the CDP Supply Chain program, and to achieve 100 % responsible sourcing of strategic agricultural and aquacultural raw materials by 2025.

Symrise joins the AIM-Progress initiative
Symrise has been involved in the European Brands Association's international AIM-Progress initiative since March 2021, together with other consumer goods manufacturers and suppliers who are dedicated to sustainability and upholding human rights in the supply chain. In addition to Symrise, many other companies including The Coca-Cola Company support the initiative. AIM-Progress provides a forum for exchange, mutual audit recognition, continuing education and networking.

3

questions for Axel Bachmann,
General Manager
Sustainability CCEP



Coca-Cola Europacific Partners (CCEP) Germany is the Coca-Cola concessionaire responsible for Germany. It sources concentrates from The Coca-Cola Company for the production of soft drinks. Symrise supplies The Coca-Cola Company and is therefore an important partner in the indirect supply chain of CCEP.

What does the end consumer currently demand in terms of sustainability from Coca-Cola – and thus indirectly from Symrise?

While the demand for organically produced ingredients is increasing, consumers also recognize that, in the global demand for certain flavors, a nature-identical flavor can be a much more efficient and positive choice in terms of CO₂ emissions. It's important to remember that no discussion about sustainability is simply black and white.

How is Symrise positioned in the area of responsible sourcing?

There's a holistic understanding of responsible sourcing at Symrise, which is reflected in processes and projects. I find the company's dedication to sustainable vanilla cultivation in Madagascar particularly impressive, whereby social and environmental commitment not only complement but define one another.

What topic can Coca-Cola and Symrise promote together?

Our exchange with Symrise on sustainability issues is exemplary. In line with the motto "There's no such thing as sustainable products; there are only more sustainable products," we believe that sustainability is a journey on which we can all learn from each other. If someone thinks there's nothing more they can do, they haven't fully grasped the issue. We believe that always searching for better concepts and approaches, and incorporating them into our processes, is key to upholding human rights in the supply chain. For this reason, Symrise will always be a partner that we look to.



Focus on materiality: Climate protection & Emission reduction

Climate change is the challenge of our time and has a direct influence on our core business. It is therefore of vital importance that Symrise contributes to the global climate protection goals by continuously reducing emissions, integrating suppliers into the process and pursuing the goal of becoming a climate-positive company by 2030.



Viewing climate change as an opportunity

Our production is largely based on the processing of natural raw materials, which means Symrise is severely affected by the threat of climate change. Crop losses resulting from water scarcity, flooding and storms have a direct impact on our local partners and can lead to supply shortages and increasing costs for our production. However, this dependence also provides us with opportunities to use our sphere of influence. One example is our SBTi climate protection goal, which also incorporate our primary suppliers. In addition, we rely on innovative products with a reduced carbon footprint, such as alternative proteins. This allows us to meet the increasing demand for sustainably manufactured products, making Symrise particularly attractive to investors who value sustainability.

Step by step: climate-positive starting in 2030

As of 2030, our business activities are expected to contribute to preventing or sequestering more greenhouse gas emissions from the atmosphere than we produce through our operating activities. Measures we will take to accomplish this include increasing the eco-efficiency of our emissions by more than 63% by 2025 compared to 2016, incorporating our primary suppliers into our climate action plan, and compensating for our residual emissions with climate protection projects.

In 2021, Symrise developed a new Science Based Target aimed at a maximum global warming of 1.5°C, which meets the highest level of ambition currently possible. The target was approved by the Science Based Targets Initiative in February 2022. Symrise aims to reduce GHG emissions (Scope 1+2) by 80% by 2028 compared to 2020. Scope 3 emissions from purchased goods and services are to be reduced by 30% by 2030 compared to 2020.



Dr. Roland Geres,
Managing Partner
of FutureCamp

FutureCamp supports Symrise with issues related to climate protection and the CDP rating process in particular. Symrise has repeatedly achieved top CDP positions with A ratings.

What are the challenges and opportunities for Symrise with regard to climate protection?

The consequences of climate change are already perceptible for Symrise. At the same time, as a partner and an important supplier, Symrise can make contributions including helping shape the transformation of the food industry. For example, synthetic menthols can be produced with far fewer emissions than menthols from conventionally cultivated peppermint – though the customers must also accept this. The supply chain offers the greatest potential for Symrise to contribute to climate protection. This is a very good starting point – not least because of the significance of Symrise as a DAX® company – but it is also an obligation.

How do you rate the climate protection goals and measures at Symrise?

First of all, it's noteworthy that Symrise is consistently rated very well by organizations such as the CDP. Which is not to say that Symrise can rest on its laurels. The company's goals should be updated with an orientation toward the ambitions of the Paris Agreement. More activity is needed with regard to energy consumption in the plants and also toward suppliers, in order to get more standardized information from the supply chain. The existing goals – particularly those assessed by the SBTi – are a good start, but they need to be implemented and developed on a continuous basis.



Dr. Alen Sacek,
ESG / Engagement
Officer LBBW AM

LBBW Asset Management Investmentgesellschaft (LBBW AM) has been investing in sustainable companies since 2006 and values holistic company development with a focus on the ESG profile.

Why is Symrise such a good fit for your portfolio?

Compliance with the UN Global Compact and reducing CO₂ intensity are at the heart of our sustainability funds. For us, targeted measures to reduce CO₂ emissions along the value chain are more important than the status quo. We think Symrise performs very well in these areas. In addition to regularly assessing external rating agencies, we also compare key measurable ESG data with our own benchmarks, and Symrise performs above average in that area. We also conduct collaborative dialogues with companies through our Active Ownership activities.

What makes Symrise an attractive investment?

Continuity and transparency! Symrise is characterized by a very high degree of transparency in its value chain. It reveals room for improvement in sustainability and, more importantly, introduces measures that can be used to further strengthen sustainability. As a whole, our analyses show that Symrise continues to make progress in improving its sustainability profile in terms of its products and operations, and throughout the value chain. Though of course, no global company is “perfectly sustainable.” Impact investing will become increasingly important for companies like Symrise, so that Symrise should not only further reduce CO₂ but also expand measurement of the social impact of its business activities.



Focus on materiality: Responsible use of raw materials

Natural raw materials form the primary basis of our products, but are usually only available in limited quantities. For this reason, we attach particular importance to using resources carefully and efficiently and to avoiding food losses. We manage this and contribute to the fight against food waste by means of the circular use of our raw materials and the innovative use of byproducts.



From byproduct to raw material source

For a global production company like Symrise, using resources efficiently and increasing the use of previously unused raw materials in food production can pose a major challenge. At the same time, this is key to the company's long-term profitability and innovative power. Products that are made from natural renewable raw materials and come from byproducts have always been an important starting point for our production, so that we view backward integration and product innovations as an opportunity to make unused resources reusable. One example is the new lily of the valley fragrance Lilybelle®, which Symrise produces using byproducts from the orange juice industry. The scent is thus made from 83% renewable raw materials.

Responsible use of raw materials

Our goal is to achieve sustainable sourcing of all strategic biological raw materials by 2025. We're also looking to further reduce our waste volumes. In accordance with SDG 12.3, food waste is to be reduced by 50% in the Taste, Nutrition & Health segment, and sensitive waste efficiency will be increased by 4% per year by 2025. Backward integration is also an important approach to the minimization of our consumption of raw materials. This also means that we need to more intensively monitor consumption along our supply chains.

Symrise is committed to making food systems more sustainable and increases the accountability of suppliers

Symrise joined in the Business Declaration for Food System Transformation in 2021. With this declaration, companies support the call of the UN Food System Summit 2021 to work together to make food systems sustainable. These companies campaign for food systems that ensure balanced nutrition for all people, enable farmers to earn fair wages and contribute to protecting the environment and climate. Symrise has also joined the 10x20x30 initiative. With this, more than ten of the world's largest food retailers and providers have combined forces to each obligate at least 20 suppliers to reduce their food losses and waste by half by 2030.

3

questions for Brian Lipinski,
Associate in the World Resources
Institute (WRI) Food Program

Founded in 1982, the World Resources Institute (WRI) is a global nonprofit organization dedicated to sustainable development and resource-efficient, environmental methods. It works with governments, companies and civil society to research, develop and implement practical solutions.

What responsibility does Symrise have in terms of global food waste?

Reducing food losses is about more than just fulfilling a responsibility. For companies like Symrise, reducing food losses within the company offers a great opportunity. Symrise realized this and became involved in the 10x20x30 initiative. The members have dedicated themselves to the “Target Measure Act” approach, which aims to reduce food losses and waste by 50%. They measure and publish food loss quantities at the company and initiate countermeasures. This is a courageous move that benefits not only the companies themselves but also the environment and society.



Around 12% of all food waste in Germany is incurred in pre-production in the food industry. What can Symrise do about that?

Symrise can act as a good role model and encourage its partners in the supply chain to adopt the “Target Measure Act” approach. When other companies see Symrise introducing measures, they will realize that loss and waste are a serious problem in our food system and will hopefully join the fight.

What can each of us do so that we throw away less food?

We can all do more by taking a good look at our eating habits, such as how we purchase, prepare and consume food. Few people are aware of how food is produced today or what happens to it when it's thrown away.

4

From the Group Management Report & from the Consolidated Financial Statements

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145 Consolidated Income Statement

146 Consolidated Statement of Financial Position

Symrise at a glance

always inspiring more ...

SEGMENTS



DIVISIONS

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

Dynamic sales growth

2006 – 2021 CAGR 7.8%

Highly profitable

EBITDA margin 2006 – 2021 between 19% and 22%

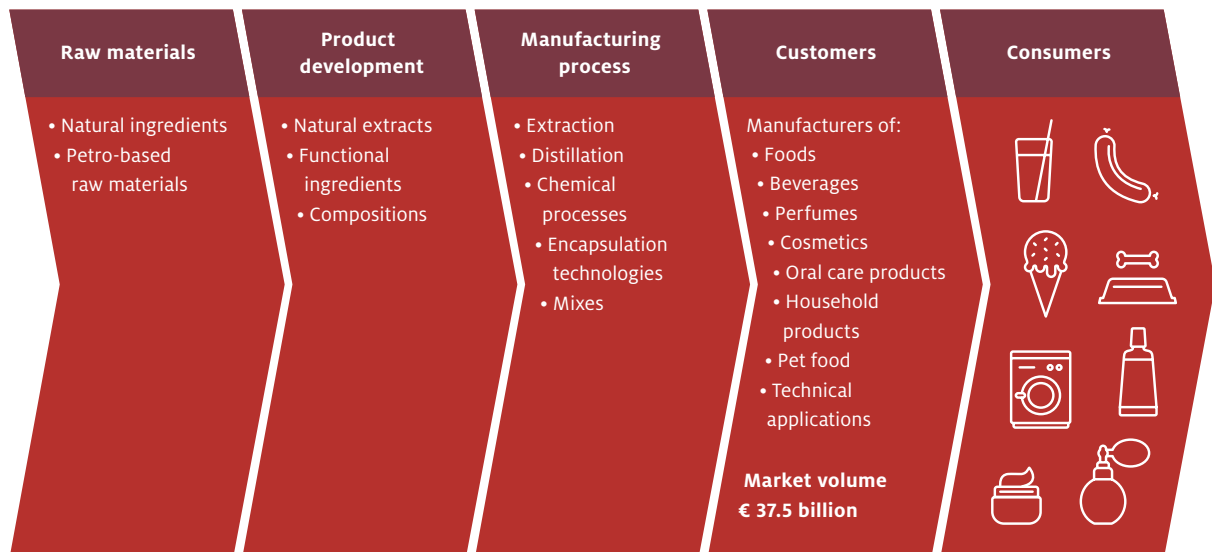
Over 11.000 employees

in over 40 countries

Over 6,000 customers

in over 150 countries

SYMRISE'S VALUE CHAIN

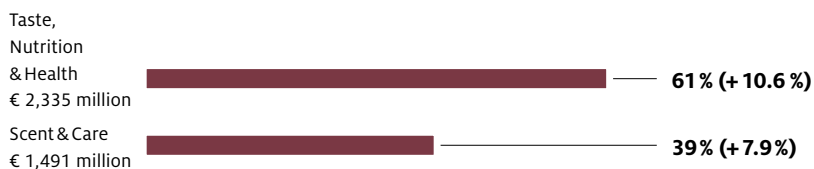


2021 Highlights

Almost double-digit organic sales growth and high sales margin

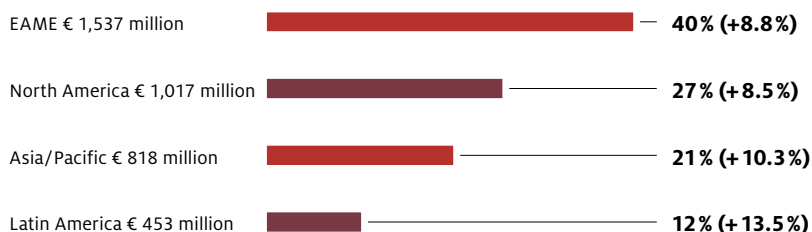
SALES BY SEGMENT

as % of Group sales and organic growth in %



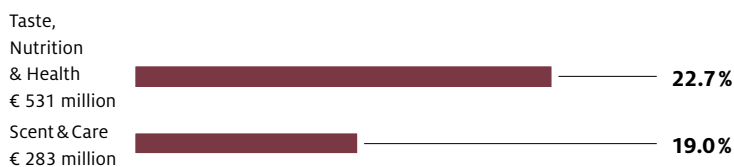
SALES BY REGION

as % of Group sales and organic growth in %



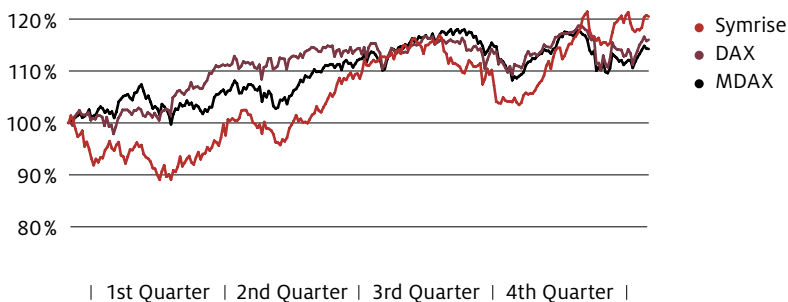
EBITDA (MARGIN) SEGMENTS

in € million and as % of Group sales



SHARE PRICE DEVELOPMENT

of the Symrise stock in 2021



Sales
€ 3,826 million
Organic growth
9.6%

EBITDA
€ 814 million
EBITDA margin 21.3%

EBIT
€ 559 million
EBIT margin 14.6%

Net income
€ 375 million

Earnings per share
€ 2.74

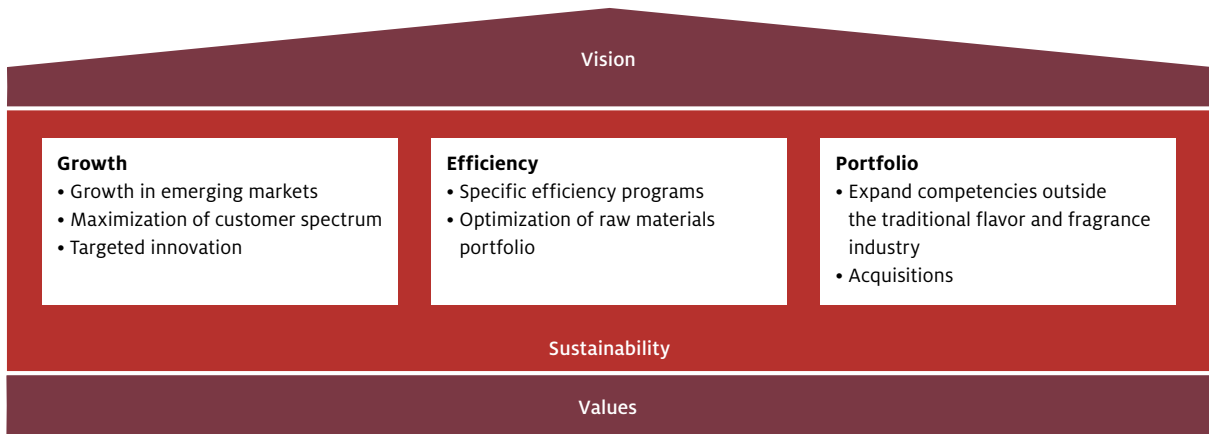
Proposed dividend
€ 1.02
per share

Market capitalization
€ 18.2 billion

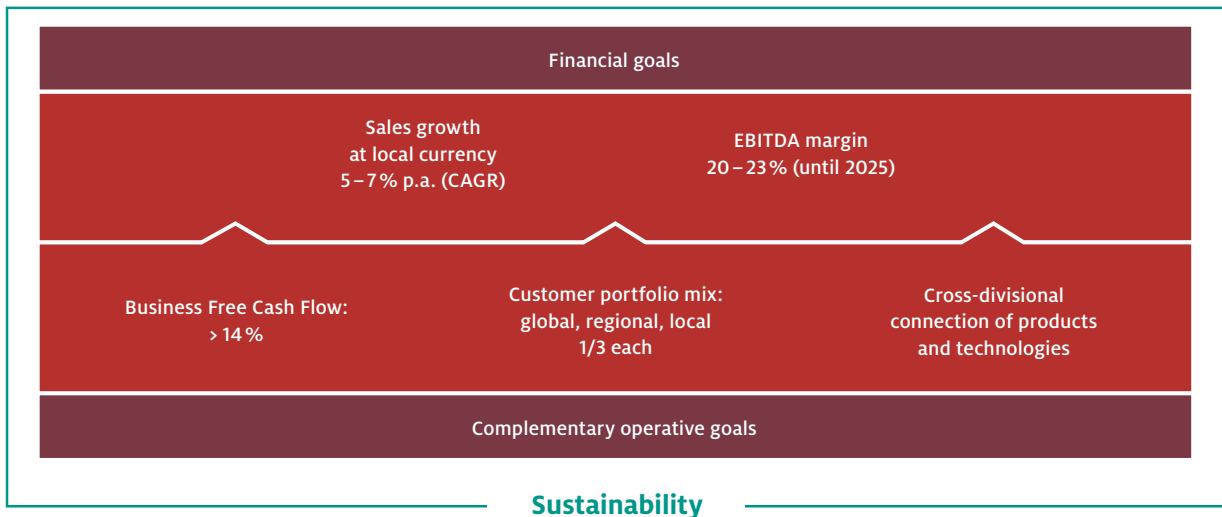
at December 31, 2021

Basic information on the Symrise Group

STRATEGY



GOALS



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OUR SUSTAINABILITY AGENDA



FOOTPRINT

Minimize our environmental footprint along the value chain



INNOVATION

Maximize positive social & environmental impacts of our products



SOURCING

Maximize the sustainability of our supply chain and raw materials



CARE

Improve well-being in our stakeholder communities

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

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

With sales of € 3.8 billion in the 2021 fiscal year and a market share of around 10 %, Symrise is one of the leading global suppliers. Headquartered in Holzminden, Germany, the Group is represented by more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The roots of Symrise date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise shares have been listed in the Prime Standard segment of the German stock exchange in Frankfurt/Main. With a market capitalization of about € 18 billion at the end of 2021, Symrise shares have been listed on the DAX® index since September 2021. Currently, about 95 % of the shares are in free float.

Operational business is the responsibility of Taste, Nutrition & Health and Scent & Care segments. As of April 1, 2021, the previously separate segments of Flavor and Nutrition were transformed into one newly structured segment. This transformation is necessary above all due to the continued focus on the needs of Symrise customers and the resulting customer loyalty. It also reflects the overlap in raw materials, production processes and customers. Both segments have areas such as research and development, purchasing, production, quality control, marketing and sales. This allows processes to be accelerated. The goal is to simplify procedures while making them customer-oriented and pragmatic. The focus is on fast and flexible decision-making.

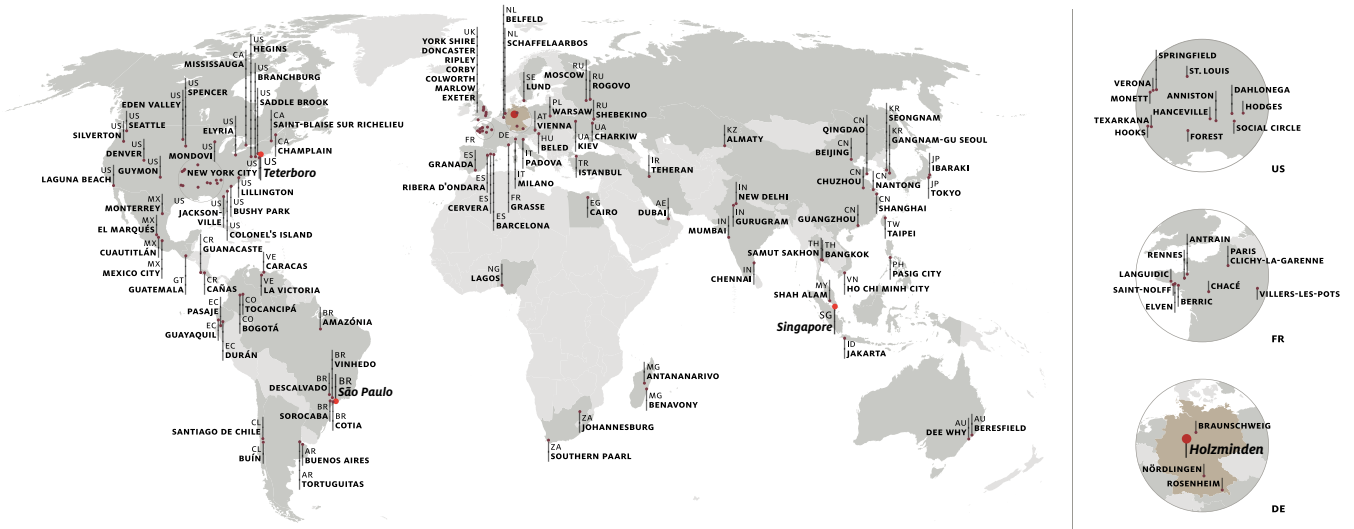
The Taste, Nutrition & Health segment includes the Food & Beverage and Pet Food divisions as well as the two smaller units Aqua Feed and Probi. The Scent & Care segment breaks down into the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

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

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

Symrise AG's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,585 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. Symrise has regional headquarters in Germany (Holzminden), the United States (Teterboro, New Jersey), Brazil (São Paulo) and Singapore. Important production facilities and development centers are located in Germany, France, Madagascar, Brazil, Mexico, Singapore, China, India, Japan and the USA. Symrise has sales branches in more than 40 countries.

Symrise sites



- Global headquarters
- Regional headquarters
- Symrise sites

MANAGEMENT AND OVERSIGHT

Symrise is a German stock corporation with a dual management structure consisting of an Executive Board and a Supervisory Board.

Symrise AG's Executive Board has three members: Dr. Heinz-Jürgen Bertram (CEO; President Scent & Care), Olaf Klinger (CFO) and Dr. Jean-Yves Parisot (President Taste, Nutrition & Health).

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

Symrise AG's Supervisory Board has twelve members. It oversees and advises the Executive Board in the management of the company and regularly discusses business development, planning, strategy and risks with the Executive Board. In compliance with the German Codetermination Act, Symrise AG's Supervisory Board has an equal number of shareholder and employee representatives. The Supervisory Board has formed four committees to increase the efficiency of its work.



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

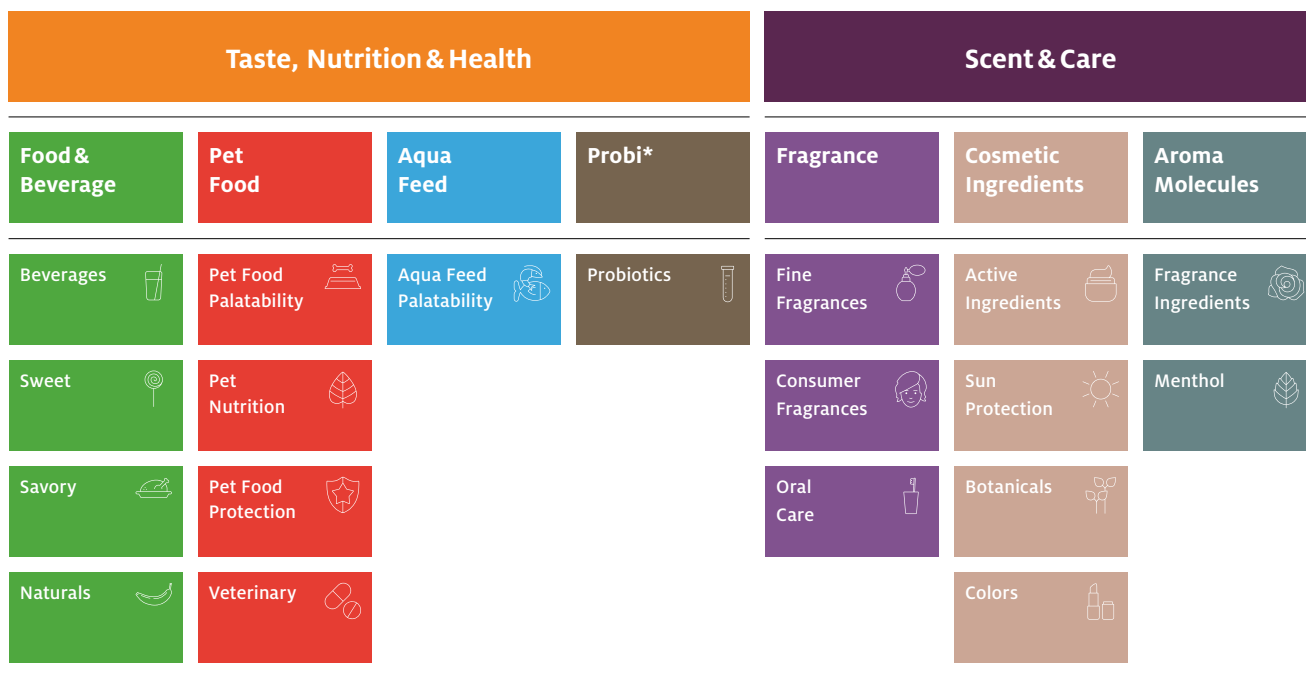
BUSINESS ACTIVITIES AND PRODUCTS

The value chain of Symrise

Symrise manufactures about 34,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of the two segments extends across research and development, purchasing, production, and the sale of products and solutions. The natural food ingredients, flavors, perfume oils and active ingredients are generally central functional components in Symrise customers' end products and often play a decisive role in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste,

value creation at Symrise lies in the development of products with additional benefits. Examples of how food ingredients and perfume oils are combined with other innovative components include flavors that enable the sugar or salt content of foods to be reduced or a moisturizing cosmetic ingredient that lowers the proportion of preservatives in care products.

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



* Majority shareholder in the Swedish company Probi AB.

CORPORATE STRUCTURE

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

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

Taste, Nutrition & Health

As part of a strategic realignment, the previously separately controlled Flavor and Nutrition segments were transformed into one newly structured Taste, Nutrition & Health segment. This transformation serves above all the continued focus on the needs of Symrise customers and the resulting customer loyalty. It also reflects the overlap in raw materials, production processes and customers. The Taste, Nutrition & Health segment uses its combined expertise as well as scientific research to offer customers and partners unique, natural ingredient-based and sustainable solutions in the areas of taste, nutrition and health. With more than 100 sites in over 40 countries, the segment serves the markets of the food and beverage industry as well as manufacturers of pet food and fish food. The segment is divided into the two core Food & Beverage and Pet Food divisions as well as the two smaller Aqua Feed and Probi units.

Food & Beverage: In close cooperation with food producers, the Food & Beverage division develops differentiated ingredients and flavor solutions that meet consumer needs for naturalness and distinctive taste experiences. The division supplies individual tonalities and complete solutions for use in the final product, which, apart from the actual taste, can contain additional functional ingredients to protect taste and promote health. The Food & Beverage division's range comprises more than 14,000 products marketed in four application areas.



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



Sweet: In the Sweet business unit, Symrise creates innovative taste solutions for sweets, chocolates, chewing gum, baked goods, cereals, ice cream and milk products, as well as for the health care sector.



Savory: Savory flavors made by Symrise are used in two major categories: In the Culinary category for soups, sauces, ready meals, instant noodles and meat products and in the Snack Food category with seasonings for snacks. In both categories, Symrise can rely on its core flavor competency in meat and vegetables, which is characterized by cutting-edge food technology and research as well as sustainability.



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

The food-specific products from ADF/IDF were assigned to the Naturals business unit as part of the transformation of the Flavor and Nutrition segments into the Taste, Nutrition & Health segment.

Pet Food: The Pet Food division offers high-quality solutions for pet food manufacturers worldwide that improve the well-being of pets and the satisfaction of their owners. These include numerous product solutions and services for improving taste and pets' acceptance of foods, achieving pet food safety and for animal health. The division includes four business units: Pet Food Palatability, Pet Nutrition, Pet Food Protection and Veterinary. Following the idea of "the closer, the better," Pet Food serves its customers from more than 20 locations around the globe. In order to research feed acceptance, feeding behavior and the interactions between pet owners and pets, the division maintains four expert centers with around 1,000 of its own dogs and cats. The pet food-specific products from ADF/IDF were assigned to the Pet Food division as part of the transformation of the Flavor and Nutrition segments into the Taste, Nutrition & Health segment.

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

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

The segment also operates a Business Incubation Group (BIG). This incubator aims to explore, promote and accelerate new and existing business ideas to support the growth of the segment and prepare it for the future. Currently, the incubator includes units researching sugar reduction, food protection and the consistent use of byproducts.

Scent & Care

The Scent & Care segment has sites in more than 30 countries and markets over 16,000 products in 135 countries. Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in various areas:

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



Fine Fragrances: Modern perfumery is designed in the creative centers of the Fine Fragrances business unit in Paris, New York, Mexico City, Shanghai, Dubai, São Paulo, Barcelona, Singapore and Mumbai. Symrise is creating new, exciting fragrance experiences with a rich pipeline of its own fragrances.



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



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

Cosmetic Ingredients: The portfolio of the Cosmetic Ingredients division includes active ingredients, modern solutions for product preservation, pioneering protection against solar radiation and negative environmental influences, innovative ingredients for hair care, inspiring plant extracts, high-performance functionals and tailor-made cosmetic colors. The division's unique approach is based on more than 100 years of experience in the development and marketing of cosmetic raw materials. In addition, the division is able to combine the best of nature, science and chemistry as well as skin and hair biology. Based on intensive consumer research, the division understands the needs of modern consumers. The research centers in Holzminden and in São Paulo, Brazil, work closely with the respective regional sales and application technology teams to offer customers and consumers tailor-made solutions and products for different regional requirements. The Cosmetic Ingredients division is a recognized innovation leader that has received 35 innovation awards for new substances over the past ten years. During the same period, 119 patent applications were filed, 9 of them in 2021 alone.

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

MARKET AND COMPETITION

MARKET STRUCTURE

The Symrise Group is active in many different markets around the world. These include the traditional market for flavors and fragrances (F & F market), whose volume should amount to € 29.9 billion in 2021, according to calculations made by the IAL Consultants market research institute (12th Edition, September 2020). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to reports of IAL (2nd Edition, December 2020), should achieve sales of approximately € 7.6 billion in the reporting year. The markets have many trends and characteristics in common. The market relevant for Symrise (the AFF¹ market) therefore has a total volume of € 37.5 billion. According to its own estimates, it will grow by an average of approximately 3 to 4 % per annum in the long-term. In 2021, growth reached around 4.8 % according to estimates by IAL Consultants.

More than 500 companies are active in the market worldwide. The four largest providers, which include Symrise, together have a market share of 54 %.

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

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

¹ AFF market: F & F market (Flavors and Fragrances) plus the market for aroma chemicals and cosmetic ingredients.

THE MARKET POSITION OF SYMRISE

Symrise is one of the largest companies in the AFF industry. In relation to the relevant market of € 37.5 billion, the market share of Symrise is roughly 10% in terms of 2021 sales. Symrise has expanded its traditional business segments to include additional applications: Scent & Care, for example, offers cosmetic active ingredients, and Taste, Nutrition & Health focuses on pet food. Greater value creation can be achieved on the basis of these more complex product solutions. In submarkets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also stands in competition with companies or product segments of these companies that do not belong to the traditional AFF industry.

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

GOALS AND STRATEGY

GOALS

In the long term, Symrise wants to strengthen its market position and ensure the independence of Symrise. At the same time, Symrise recognizes its responsibility toward the environment, its employees and society at large. Symrise intends to increase its sustainability regarding its footprint, innovation, sourcing and care, thereby reducing risks for the company and promoting economic success.

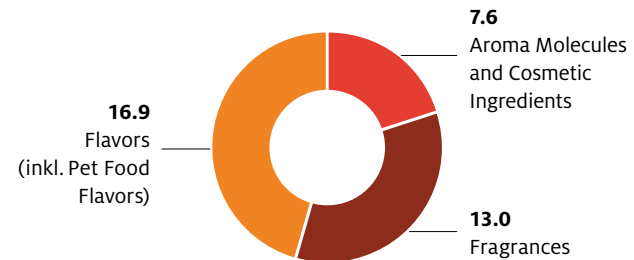
- **Market position:** With long-term organic growth of 5 to 7 % per year (CAGR),¹ sales growth at Symrise should exceed the growth of the market, which is expanding by about 3 to 4 % per year on average. This will enable Symrise to gradually increase the distance between it and smaller competitors and to gain market share.
- **Value orientation:** Symrise wants to consistently be counted among the most profitable companies in the industry. The Group aims to achieve an average EBITDA margin of 20 to 23 %.

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

¹ CAGR: Compound Annual Growth Rate

Relevant AFF Market Size 2021

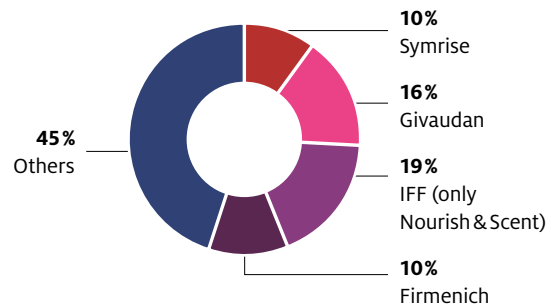
in € billion (approx. € 37.5 billion overall)



Sources: IAL (12th Edition, FLA & FRA, September 2020), IAL (2nd Edition, AC/AM and CI, December 2020)

AFF market share 2021

in % (volume approx. € 37.5 billion)



Source: corporate data and internal estimates

STRATEGY

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

- **Growth:** Symrise strengthens cooperation with its strategic customers around the world and expands its business in emerging markets. The Group makes sure that it remains an innovation leader in its core competencies. This ensures its continued growth.
- **Efficiency:** Symrise works continually to improve its processes and focuses on products with a high level of value creation. With backward integration for key raw materials, Symrise ensures a consistent, high-quality supply of these materials in sufficient quantities and at set delivery conditions. Symrise works cost-consciously in every division. This is how the Group ensures its profitability.
- **Portfolio:** Symrise enhances its product portfolio and taps into new markets and segments. The Group continues to expand its expertise outside the traditional flavor and fragrances industry. This ensures its prominent market position.

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

VALUE-ORIENTED MANAGEMENT

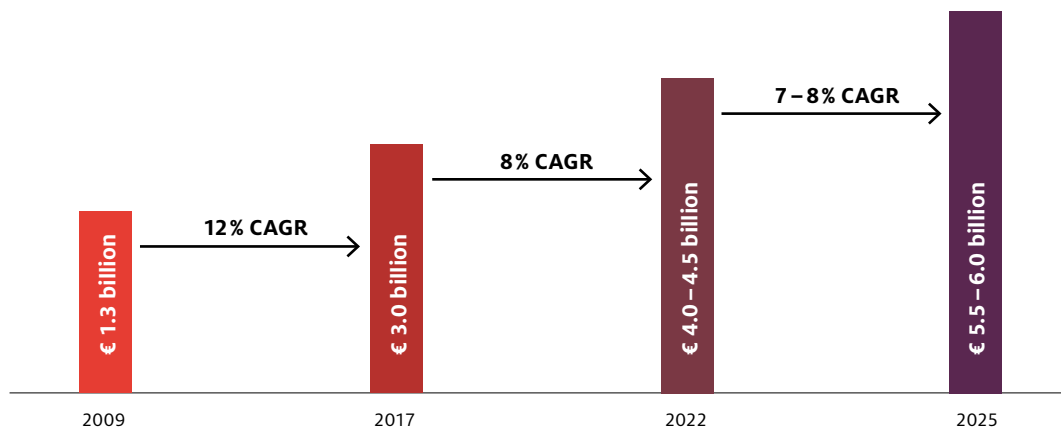
Different variables are at play within the framework of value-oriented corporate governance. The company is aiming for average organic sales growth of between 5 and 7 % per year (CAGR)¹ in the long-term. The EBITDA margin, for which Symrise has defined a strategic target of 20 to 23 % (by 2025), serves as an indicator of the company's profitability. In addition, the company introduced business free cash flow in 2018 as the primary internal control variable to assess its performance in order to strengthen the Group's cash flow orientation. Symrise aims to continuously increase the business free cash flow, which consists of EBITDA, investments (including cash effects from leasing) and changes in working capital. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, Symrise attaches great importance to the Group's financial stability. Management's focus, therefore, is guided by these financial control parameters. Non-financial performance indicators in the areas of environment, pro-

¹ CAGR: Compound Annual Growth Rate

128

Goals by 2025

Sales in € billion



curement, employees and innovation are reported separately in the Corporate Report. Further information on the non-financial benchmarks can be found in the separate non-financial report pursuant to Section 289b of the German Commercial Code (HGB), which is published on the website of Symrise AG. It can be found at: <https://symrise.com/corporatereport/2021/en/sustainability-responsibility/sustainability-record.html>.

RESEARCH AND DEVELOPMENT

GUIDELINES

In research and development (R & D), Symrise aims to connect the individual components of product development, such as market and consumer research, R & D and creation, throughout the Group. Through the close linkup of R & D with marketing and business units, purchasing and manufacturing, product development, quality assurance and regulatory issues, Symrise checks early on to see whether new products and technologies can be implemented, digitized and if they are profitable, in addition to assessing their sustainability aspects. Strategic research fields are the area of sustainable processes and products, such as green chemistry, the increased demand for perfumery ingredients based on renewable raw materials, the area of taste optimization (taste balancing), sensory optimization of preparations based on plant protein and the development of sustainable, resource-saving manufacturing processes. Essential research results are secured by way of stringent IP management, such as protective rights. Furthermore, all R & D activities are geared to the guidelines of mega trends, consumer needs, customer requirements, naturalness and authenticity, sustainability, digitalization, innovation and cost efficiency.

ORGANIZATION

From idea to marketable product, the innovation process at Symrise is organized around a uniform, stage gate process with decision filters, which has been implemented across the company. Here, more and more elements of agile project management are being used. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project. The research and development projects are also regularly evaluated based on criteria from the four pillars of the sustainability strategy (FISC) and prioritized accordingly. As part of this process in 2021, in particular, the area of fair use of biodiversity was further developed according to the provisions of the Nagoya Protocol. One future field is the utilization of legacy varieties of known agricultural raw materials in order to preserve and expand biodiversity. Symrise has joined the OP2B consortium of vari-

ous industrial companies for this purpose. The two segments at Symrise each manage their own R & D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to all segments, in order to achieve synergies and improve resource efficiency. Multiple R & D centers around the world ensure that the regional activities of the segments are optimally supported. The research activities of the Scent & Care segment, especially the centers for development and application technologies, are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Chennai (India), Paris (France), Antananarivo (Madagascar), São Paulo (Brazil) and Cuautitlan (Mexico). In addition, a hair research center was established at the São Paulo site. In addition, the Cosmetic Ingredients division has expanded its core competencies through the acquisition of Cutch in Padua, Italy, with highly innovative skin models for basic skin biology research and for the development of new cosmetic active ingredients. In the Taste, Nutrition & Health segment, R & D activities are organized according to the Food & Beverage and Pet Food divisions as well as the smaller Aqua Feed and Probi units. The majority of this segment's R & D activities are located in Holzminden (Germany), Teterboro (USA), Singapore, Shanghai (China), Tokyo (Japan), Paris (France), Rennes (France), Elven (France), São Paulo (Brazil), and Lund (Sweden).

EXTERNAL COOPERATIONS

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

Symrise participates in numerous scientific research projects that are supported by the German Federal Ministry of Education and Research (BMBF), the German Federal Ministry of Economics (BMWi), via the Research Group of the Food Industry (FEI)/Working Group for Industrial Research (AiF), the European Union (EU, Horizon 2020), TKI (Top Consortium for Knowledge and Innovation, Netherlands) the German Federal Ministry of Food and Agriculture (BMEL), the German Society for International Cooperation (GIZ), the French research tax credit (CIR) and other public and private funding institutions. Topics in the following areas play a key role: Sustainability, the targeted development of information sources on the effects

of plant raw materials, the establishment of cultures and the breeding of plants with special flavor properties, the development and sensory improvement of plant proteins, raw material sourcing and biotechnological processing and improvement, the added health value of food ingredients, technologies and

sustainable ingredients for perfume oils and oral hygiene. Symrise has joined the Sustainable Food Initiative (SFI), founded by Wageningen University & Research, in which various universities and industrial companies conduct joint research in the field of future and sustainable food production.

Significant research cooperations

Partners	Goal of the cooperation
CDL for Taste Research/University of Vienna	Systematic investigation of physicochemical and physiological properties of substances capable of influencing sweet taste
SweetTea (University of Bonn, Osnabrück University of Applied Sciences, Erfurt University of Applied Sciences)	Cultivation and breeding of plant raw materials for the field of sweet modulating taste and flavor solutions, supported by the BMEL
SynBio4Flav (various partners, including the University of Greifswald)	Development of co-fermentation processes to obtain flavonoids (funded by the EU, Horizon 2020)
RapeQ (various partners, including the Technical University of Munich)	Improvement of the taste of rapeseed protein through breeding, processing and targeted masking (funded by the BMBF)
Potato protein	Identification and correction of off-flavors (AiF)
Protein soft drinks	Presentation of tasty protein soft drinks (AiF)
Taste optimization for meat substitutes (various partners, WUR)	Taste improvement of meat substitutes
In4Food (various partners, MRI, Fraunhofer)	Testing of indoor farming systems for the production of plant-based raw materials for functional applications
Pulses (various partners, including Wageningen University Research)	Improving the taste of legume proteins (funded by TKI [Top Consortium for Knowledge and Innovation, Netherlands]; sector: TKI Agri & Food)
Encap4HEalth (TU Berlin, various partners)	New materials and processes, as well as an innovation exchange in the field of the encapsulation of bioactive ingredients (funded by the EU, Horizon 2020 RISE program)
King's College, London, UK	Research into the regulation of glucose metabolism in humans by the apple extract polyphenol (Applin™) in collaboration with the Institute of Diabetes & Nutritional Sciences at King's College
Leibniz Institute for Catalysis (LIKAT), Rostock	Development of a bio-based variant of pentylene glycol (Hydrolite® 5) based on byproducts generated during sugar production from sugar cane
Charles Violette Institute, University of Lille, France	Investigation of the potential of fish hydrolysates for regulating the energetic balance of physiological body functions (homeostasis)
Booster working group (LEMAR, Institut Européen de la Mer, Nutrineuro, INRA, Abyss ingrédients and Chancerelle)	Development of bioactive substances from fish co-products for the healthy aging of humans and pets
ONIRIS Flaveur	Development of innovative analysis methods for volatile components to improve the acceptance of dog food
Institute for Food and Agricultural Research and Technology (IRTA), Barcelona, Spain	Research into the effect of dietary protein hydrolysates on the energy, fat and protein metabolism of European sea bass
Laval University/Institute of Nutrition & Functional Foods, Quebec, Canada	Study of the probiotic influence of polyphenols from fruits and vegetables, development of synergistic combinations of probiotic polyphenols and bacteria to modulate the biocenosis of the internal organs

FOCUS AREAS

In the Taste, Nutrition & Health segment, the research and technology strategy is implemented on the basis of different research platforms. A large number of key topics are being worked on with a special focus on sustainability aspects. In the Food & Beverage division, examples include: the development and adaptation of new, gentle and environmentally friendly separation technologies, as well as the expansion and elaboration of raw material sources for sustainable and natural product solutions for the Symrise Code of Nature® platform, which are primarily used for healthy food concepts; the continuous development of natural and sustainable raw materials for flavor solutions that lead to the sensory-preferred reformulation of low-sugar, low-salt and low-fat food concepts; and the development of energy-efficient and low-solvent methods for concentration, beginning with plant-based raw materials. In 2021, a special focus was placed on the challenge of improving the taste of plant proteins as meat substitutes or for use in dairy products. Another focus is on reducing sugar in beverages and dairy products as well as in savory applications. In this context, the selection of varieties and new cultivation methods for a sustainable supply chain were developed for specific plant-based raw materials for the Taste Balancing product platform. Another focus of research in the Taste, Nutrition & Health segment is the development and application of modern digital tools for the rapid and targeted development of flavor solutions for selected food applications. The Proti-Scan™ process – developed by Symrise for recording the flavor release from innovative food preparations with vegetable protein – is noteworthy in this context. This process enables a significant reduction in project development times and forms a solid foundation for IT-based development concepts. In addition, product safety is being continuously improved and flavor solutions are being optimized for application in reduced sugar and plant protein-based foods. Furthermore, the focus was on developing usage of the bone waste stream as well as vegetable and chicken byproducts.

In the Pet Food division, the Elven site has been provided with state-of-the-art extrusion equipment to develop higher-performance and safer products. In addition, the VIDEKA® laboratory in Elven was designed for EAME customer support with shelf-life studies, research and development and analytical requirements. This laboratory is used to perform shelf-life studies of pet food and pet care preparations using state-of-the-art analytical tools.

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

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

The Scent & Care segment focuses its R & D strategy on raw materials for perfumery according to the aspects of green chemistry and based on natural and renewable raw materials through suitable processes to natural extracts. For example, with the Garden Lab, a disruptive approach was taken using the SymTrap® process to make vegetable scents accessible for perfumery as well. The SymTrap® platform was further expanded with new products. In the field of extraction from natural raw materials, new qualities were developed and included in the perfumery range. New and sustainable captives have also been developed. Among them is Pearadise®, which is produced on the basis of biotechnologically derived raw materials and using green chemistry. With Flowerpool®, a captive was developed that smells of white blossoms and purity. Diviniris is an iris-scented captive with velvety notes. Symrise has also added Natural Neofresh® to its Neofresh platform to meet the customers' desire for sustainable products made from renewable raw materials.

In Oral Care, a new product was developed that combines biotechnological processes with knowledge of probiotic active ingredients. In application technology, certain technologies were developed to improve the performance of perfume oils. By combining the expertise of Symrise in fragrance development with that of Pet Food, the product category was further developed specifically for dogs and cats.

A total of five research platforms exist in the areas of cosmetic ingredients, encapsulation and release systems for perfumery, green chemistry for sustainable products, bad odor management and oral care. Supporting platforms in the areas of sensory and analytical research, raw materials and byproducts from sustainable sources, performance, and receptor research form the basis for the capabilities at Symrise and for a constant innovation process. Newly developed technologies support the understanding of perfume oils in terms of long-lasting fragrance experiences and blooming effects. The growing population in large cities is causing the issue of anti-pollution to play an increasingly important role. Here Symrise also benefits from the close cooperation of various groups in Fragrance and Cosmetic Ingredients research. In the Cosmetic Ingredients division, an interdisciplinary research group of cell, molecular and microbiologists is looking at the human microbiome. The new research area is investigating the benefits and

risks of interactions between humans and microorganisms, and is providing scientific and cross-divisional support in the development of new products for skin, scalp and oral care, or in the area of nutrition. The first products and product concepts have already been introduced to the market. Crinipan® PMC green, for example, was developed to positively influence the scalp's microbiome and reduce dandruff. The anti-dandruff ingredient, which is based on natural raw materials, changes the microbiome in favor of a healthy symbiosis of microorganisms with the skin cells.

PATENTS AND AWARDS

The number of patents filed (42 new applications in 2021) is used to measure innovation results and quality and to evaluate global coverage and competitive impact.

In 2021, as in previous years, Symrise research was recognized with awards for its high level of innovation. For example, Symrise received a European BSB Innovation Award for SymDStress™ 100 as an innovative cosmetic raw material in the category Raw Materials and Anti-Aging/Soothing. This is a combination of cannabidiol (CBD), produced from a byproduct of the orange juice industry, and the particularly highly purified bisabolol (Dragosantol® 100). This combination has been shown to synergistically reduce skin irritation. The nat-

Core functions of research and development at Symrise



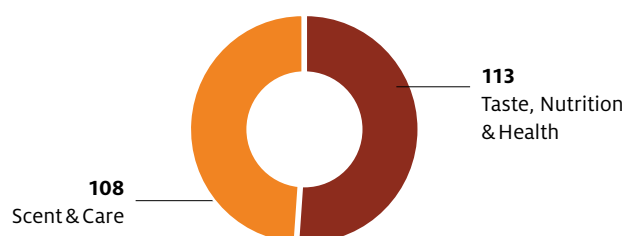
ural product Phytoconcentrole® Hemp CBD based on hemp oil in combination with CBD extracted from hemp was awarded a European BSB Innovation Award as a natural raw material. The product Hydrolite® 7 green, which was also launched in 2021, received two awards for its innovative and sustainable technological approach: the BSB Innovation Award in the “Environmental and Recipients” section and the Runner-up 2021 GSK Environmental Supplier Award. Hydrolite® 7 green is a multifunctional cosmetic raw material produced based on the principles of green chemistry. It is applicable in a wide range of products and characterized in particular by its properties of enhancing antioxidants and solubilizers and proving product protection.

RESEARCH AND DEVELOPMENT EXPENSES

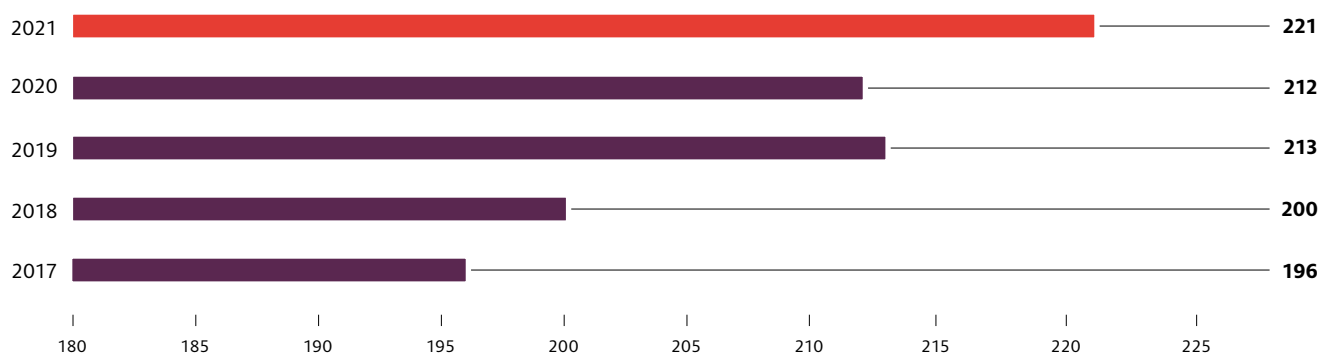
Total R&D expenditures amounted to € 221 million in the 2021 fiscal year (previous year: € 212 million), comprising 5.8 % of sales (previous year: 6.0%). R & D expenditure in the reporting year was 4 % above the level of the previous year and developed in a manner that could be described as slightly underproportional to the originally planned sales. The positive sales trend has diluted the share of sales accordingly, however. Symrise aims to return the share of R&D expenditures of sales to the level of previous years in the future in order to further strengthen its innovative power.

The capitalization rate for research and development activities remained immaterial in 2021 as in the previous year as the conditions for capitalization are generally only met at the conclusion of a project. This meant that a majority of the development costs incurred were recognized with effect on profit or loss.

R & D Expenses 2021 according to segment, in € million



R & D expenses 2017–2021 in € million



EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2021, the Symrise Group employed 11,151 people worldwide (not including trainees and apprentices). In comparison to December 31, 2020 (10,531 employees), this represents an additional 620 employees. The Taste, Nutrition & Health segment saw the largest increase in the number of its employees (+ 368 employees). At 125, the number of apprentices and trainees was below the previous year's figure of 134.

Symrise continually reviews the demographic development of the workforce. Development of demographics will be very steady over the next ten years. The annual reduction of the workforce due to retirement will be around 1 to 2 % per year until 2022. 37 % of the Symrise Group's employees have been with the company for at least ten years – at German sites, this group accounts for 58 % of the workforce. The employee turnover rate remained very low in Germany in 2021, totaling 2.3 % in 2021. Globally, the figure was 6.4 %.

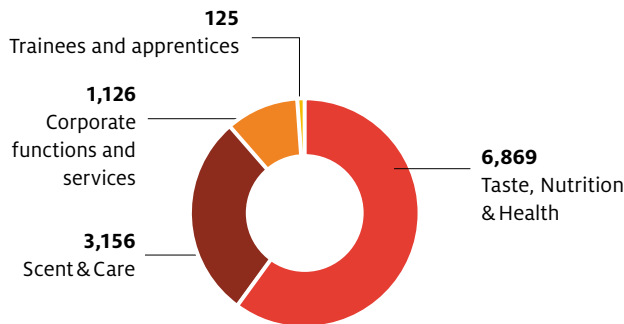
PERSONNEL STRATEGY

The personnel strategy supports Symrise's growth and ensures that the segments have the required skills available to them. A particular focus is on efficient digital mapping of core HR management processes throughout the world.

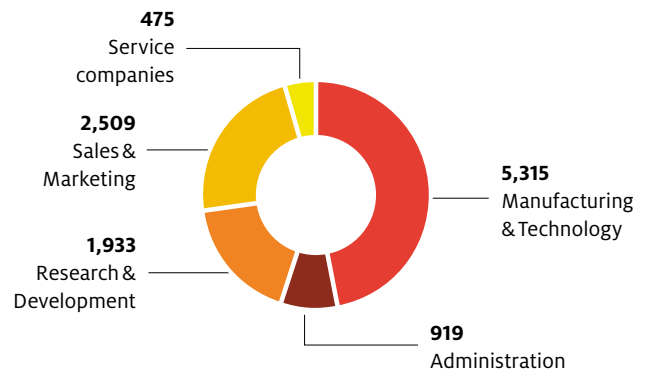
Group strategic development of senior executives and employees

Since mid-2020, Symrise has launched the new career development and succession planning process digitally for the first two management levels as well as a wide range of focus groups, for example Flavorists and Key Account Managers, on a global scale. The aim of this cross-segment program is to sharpen and develop the job-related skills of the employees, to identify talent and prepare them to take on responsibility in key positions at Symrise. At the same time, the company uses talent development to ensure effective succession planning for business-crucial positions. Specifically, the process focuses on deriving company-wide training and development priorities, identifying talent and developing such talent through talent conferences with executives, along with succession planning for key business-crucial positions.

Number of employees by segment



Number of employees by position



In 2020, approximately 1,700 employees from all regions and both segments were involved in this talent development process. Symrise sees career development as an offer for the employees involving structured feedback. 75 % of the employees involved had a direct interest in engaging in a dialogue with their manager and HR about their development, which can be considered a success given the challenges faced by communication as a result of the coronavirus. The process yielded valuable results:

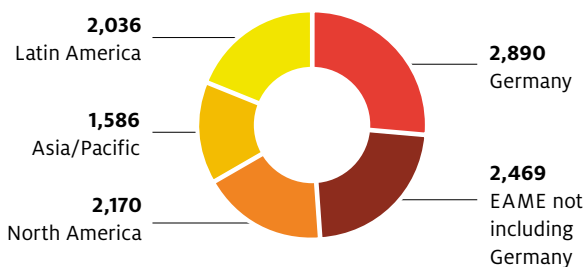
- Assessment of Group-wide competency development needs to achieve the strategic goals
- Identification of the top talents and their individual development plans
- Nomination of top talent for strategic development programs, such as the Leadership Accelerator Program
- Robust succession planning in business-critical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

Symrise continued this process in 2021. The focus was on development discussions and implementation of development measures as well as succession planning. Symrise specified

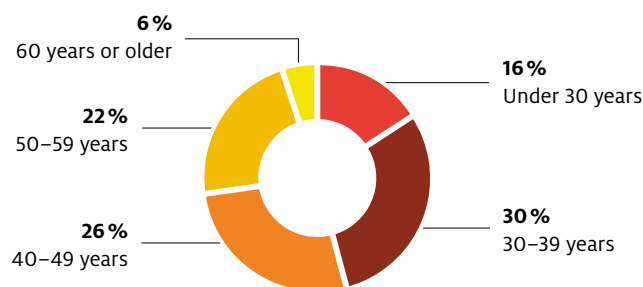
the definition for identification of new key positions and the validation of existing key positions. The plan for 2022 is to continue to optimize the process and to make it available to a larger group of employees. All employees have the opportunity to discuss and agree on a development plan with their supervisor since the program was introduced in 2020.

In December 2021, Symrise further expanded the topic area of “modern and digital learning.” Employees were provided with a new, globally available “Learning Management System” (LMS) and a digital learning platform (“Skillsoft”). Both tools are intended to bridge the gap between Group-wide skill development needs, the individual development plans of employees and a modern range of training measures that support lifelong learning. The training content is categorized into various subjects such as leadership training, efficient and effective working, language training, project management or occupational safety and sustainability. The topic of “social learning” will also become more important in the coming years – the foundation for this was laid by the launch of Microsoft 365 and MS Teams.

Number of employees by region



Age structure of the workforce in %



Group strategic development of female senior executives

To prevail in a competitive environment, you need to unlock the full potential of your employees. For this reason, it is in Symrise's own interest to employ the best women and men at all levels of management. Up to this point, however, there have been fewer women than men in management positions. Symrise has set ambitious goals for itself to change the situation in the long term. Symrise has therefore put a special focus on fostering the careers of women as part of its personnel strategy.

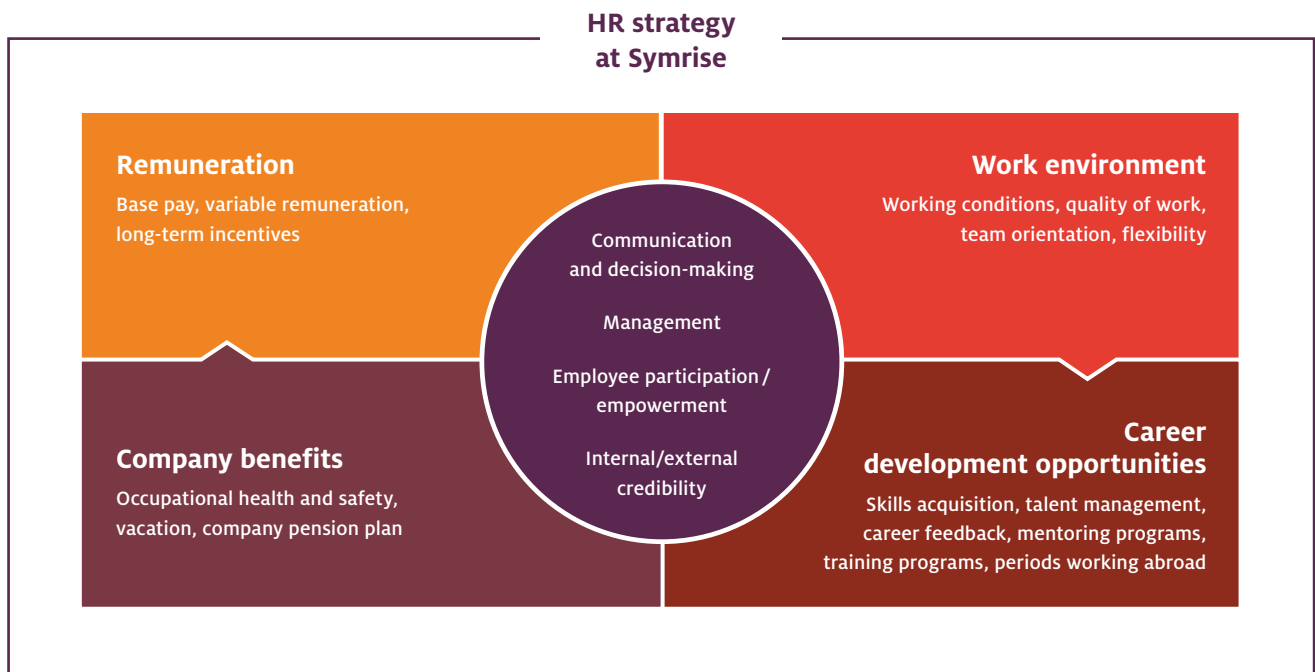
To better leverage the potential of women at Symrise, the company is planning to develop a strategy to ensure that Symrise will be able to advance the careers of its female employees. As a first step, the current situation was thoroughly assessed in 2021. At the same time, interviews were conducted with women in various levels of seniority and age groups who have shown a great deal of potential. In 2022, Symrise will compile and implement the findings from this process in an action plan for further development of promising female employees.

Equitable remuneration for women and men

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

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

The non-profit FPI Fair Pay Innovation Lab recognized Symrise for its fair pay in the 2021 reporting year.



Training and education

Educating young people is of particular importance at Symrise. This is evidenced by multiple awards in company comparisons over the past four years. On the one hand, Symrise recruits qualified young individuals who it specifically trains with the company's needs in mind. And with this commitment, Symrise is fulfilling an obligation that society as a whole has toward the next generation. As of December 31, 2021, a total of 125 apprentices and trainees were employed at the sites in Germany.

Depending on the occupation, training lasts two to three years. All trainees are taken on at least temporarily after completing their training if they meet the minimum requirements regarding the success of their training. With its investment in training, Symrise is meeting the demand for future specialists in chemical production and in the laboratories as well as in commercial, marketing and sales positions.

Symrise has structured its training capacity in a way that allows around 40 young people to begin their training at Symrise every year. Of these, 24 are trained in the chemical-technical professions, about ten for technical and logistics occupations and ten young people in commercial careers. Beyond initial training, Symrise opens up prospects through cooperative studies in business administration (five employees per year/ a total of 15 on the path to a Bachelor of Business Administration). Due to what has now become a noticeable shortage of skilled workers, Symrise has added further occupational fields to its spectrum of vocational training. In 2021, the second year of training as a Production Specialist for Food Technology began in Braunschweig. Distillers are regularly trained in Nördlingen and training as a Technical Product Designer is offered in Holzminden since 2021. In cooperation with the Holzminden District Adult Education Center (Kreisvolkshochschule Holzminden), 14 young people also successfully completed the training program for chemical production specialists in June 2021. Most of them were hired after their training, bolstering the personnel at the mixing plants. Symrise is thus working consistently to mitigate the demographic shift in the company. Furthermore, Symrise is currently preparing training in IT professions in the company for 2022.

Symrise generally offers highly sophisticated training programs in all its regions. The pandemic has made it impossible to meaningfully compare the 2021 training measures with the previous year. On the one hand, classroom training was canceled or postponed to protect the health of our employees. On the other hand, Symrise provided employees with e-learning courses outside of its Learning Management System at

short notice in order to make sensible use of times of reduced work volumes due to the coronavirus.

In addition to general training programs, Symrise usually also trains its employees via international assignments. However, pandemic-related travel restrictions caused these to be postponed in 2021.

At its own flavorist and perfumer school, Symrise is constantly training experts on raw materials and their applications in the products over a period of around three years and then successfully integrating them into the product development teams. In addition, our employees have diverse opportunities for completing a bachelor's, master's or doctoral degree alongside their work through cooperation agreements with universities, academies and institutes.

Remuneration and wage agreements

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

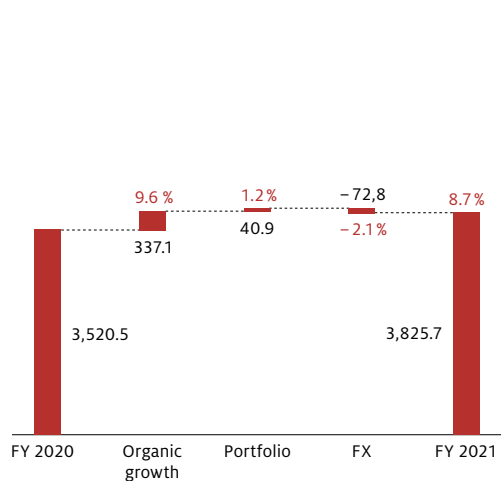
In Germany, Symrise takes guidance from the pay increases in the chemical industry. Employees received a 2.0 % increase in pay in July 2021, which was higher than the pay increases negotiated in the collective bargaining process.

Symrise will also give its employees in Germany's collective bargaining sector a share of the company's profits in 2021. If 100 % of EBITDA is achieved, the profit-sharing bonus is € 600 for full-time employees (with a pro rata share of this awarded to part-time employees). Employee performance should pay off at Symrise. With this profit-sharing scheme, outstanding performance at the German site is being acknowledged. Furthermore, employees covered by collective agreements were granted a special bonus of € 500 as a result of coronavirus.

A separate Global Performance Bonus Plan that supports reaching company goals by means of variable remuneration geared toward results and performance applies to about 300 managers with global or regional responsibilities. Employees in creative departments are also included in this management and incentive system.

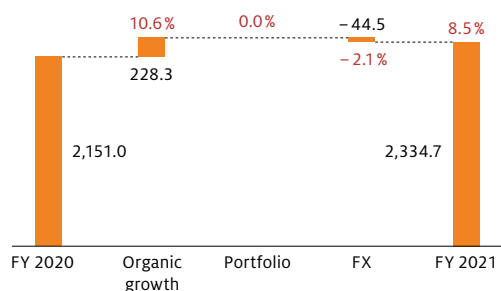
Economic report

GROUP sales in € million



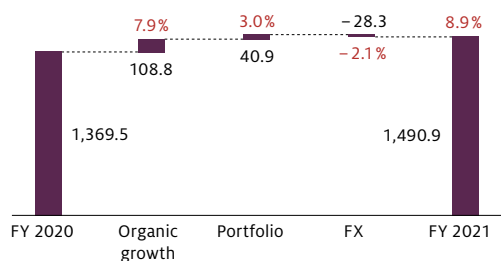
€ million	FY 2020	FY 2021	Change in %
Gross profit	1,390.5	1,478.8	6.4
EBITDA	742.1	813.6	9.6
EBITDA margin	in %	21.3	
EBIT	487.5	559.0	14.7
EBIT margin	in %	14.6	
Depreciation	136.7	140.5	2.8
Amortization	117.9	114.1	-3.2
Financial result	-64.0	-42.8	-33.1
Earnings before income taxes	423.6	516.2	21.9
Net income ¹	306.9	374.9	22.2
Earnings per share ²	in €	2.74	21.1
R&D expenses	212.3	220.7	4.0
Investments	158.5	173.7	9.6
Business Free Cash Flow in % of sales	16.0	12.7	

TASTE, NUTRITION & HEALTH sales in € million



€ million	FY 2020	FY 2021	Change in %
EBITDA	470.6	531.1	12.9
EBITDA margin	in %	22.7	
EBIT	294.7	357.9	21.4
EBIT margin	in %	15.3	

SCENT & CARE sales in € million



€ million	FY 2020	FY 2021	Change in %
EBITDA	271.5	282.6	4.1
EBITDA margin	in %	19.0	
EBIT	192.8	201.1	4.3
EBIT margin	in %	13.5	

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

1 Attributable to shareholders of Symrise AG
2 Undiluted

COMPANY DEVELOPMENT AT A GLANCE

IMPORTANT EVENTS

As part of a strategic realignment, the two segments of Flavor and Nutrition were transformed into one newly structured segment in April 2021 and renamed Taste, Nutrition & Health. This transformation of the previously separate Flavor and Nutrition segments was necessary above all due to the continued focus on the needs of Symrise customers and the resulting customer loyalty. It also reflects the overlap in raw materials, production processes and customers. Technologies as well as product knowledge and expertise are to be combined going forward to ensure optimum service and thus increase customer satisfaction. This is done with the intention of increasing the company's competitiveness and securing and expanding employment in the long term. In this context, the previous year's figures have been summarized in the following paragraphs.

Effective September 20, 2021, Symrise AG was included in the leading German index DAX® as part of the expansion of the DAX® from 30 to 40 companies. After 14 years of continuous listing in the MDAX®, Symrise was promoted to the leading index with a market capitalization of over € 16 billion.

In the 2021 fiscal year, the Symrise Group also continued its growth strategy through targeted portfolio management.

The coronavirus pandemic has led to changing consumer behavior and shifts in the portfolio in 2021 as well, with significant increases in Fine Fragrances, Beverages and Pet Food.

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

The Symrise Group generated sales of € 3,826 million in the 2021 fiscal year. Sales increased 8.7% in the reporting currency over the previous year. Excluding portfolio effects, organic sales growth amounted to 9.6%. At a total of € 814 million, earnings before interest, taxes, depreciation and amortization (EBITDA) were significantly higher than the previous year of € 742 million (EBITDA). This corresponds to a sales margin of 21.3% (previous year: 21.1%).

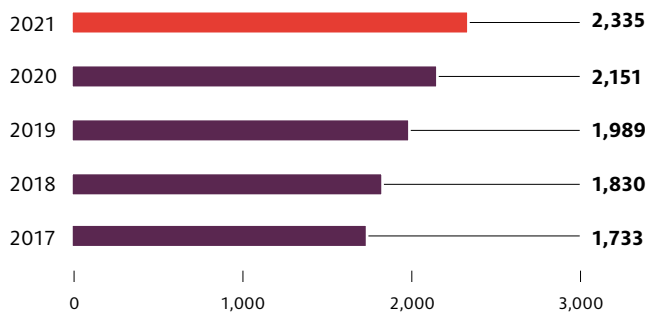
Net profit amounted to € 375 million and therefore was € 68 million higher than the figure from the previous year. Earnings per share rose to € 2.74 (2020: € 2.27).

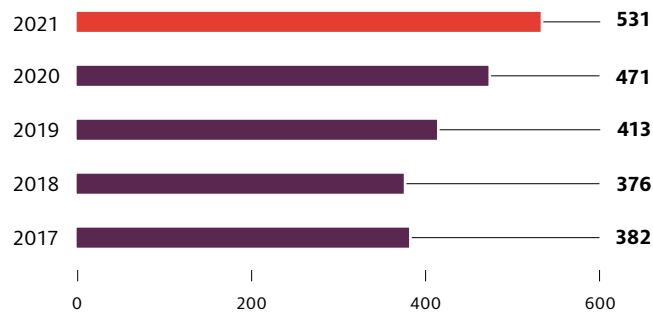
Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.97 in the previous year to € 1.02 per share for the 2021 fiscal year at the Annual General Meeting on May 3, 2022.

Achievement of targets in 2021

Sales growth (at local currency)	Target at the beginning of the fiscal year	5 – 7 %	Figure achieved	9.6 %*
EBITDA margin		About 21 %		21.3 %
Net debt (including provisions for pensions and similar obligations as well as lease liabilities)/ EBITDA (excluding acquisitions)		Between 2.3 and 2.5		2.4
Business free cash flow		> 14 %		12.7 %

* Organic growth without Sensient

Taste, Nutrition & Health segment sales in € million

Taste, Nutrition & Health segment EBITDA in € million

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the beginning of the 2021 fiscal year, Symrise had set the goal of achieving organic sales growth of 5 to 7% and thus noticeably above market growth (approx. 3 to 4%). In light of the good business performance, the sales expectations for the full year were initially raised to over 7% and then to around 9%. According to estimates by IAL Consulting, the growth of the market amounted to approximately 4.8% in 2021 due to the pandemic.

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For 2021, Symrise had expected an EBITDA margin of around 21% despite slightly rising raw material prices. In the course of the fiscal year, the expectation for the EBITDA margin was increased to over 21%. Debt, as measured in terms of the key figure of net debt (including provisions for pensions and similar obligations and lease liabilities) to EBITDA, was expected to reach the range of 2.3 to 2.5. The business free cash flow in 2021 was projected to achieve a value of over 14% in relation to sales.

With sales growth of 9.6% (excluding portfolio effects and currency translation effects), Symrise significantly surpassed its sales goal in 2021. The EBITDA margin of 21.3% is within the expected range for 2021, as is net debt at 2.4 times EBITDA. The business free cash flow as of the reporting date was 12.7%. Symrise was unable to reach its target due to the cybersecurity attack at the end of 2020, the strong sales growth in the reporting period as well as the expansion of safety stocks at the end of 2021.

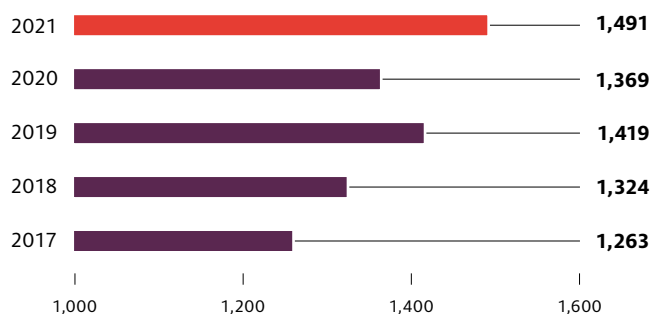
DEVELOPMENT IN THE SEGMENTS AND REGIONS**TASTE, NUTRITION & HEALTH SEGMENT**

The Taste, Nutrition & Health segment saw a normalization of consumer behavior in 2021 due to progress in the fight against the coronavirus pandemic. Taking into account exchange rate effects, sales in the reporting currency were € 2,335 million. This corresponds to an increase of 8.5% and organic growth of 10.6% compared to the previous year.

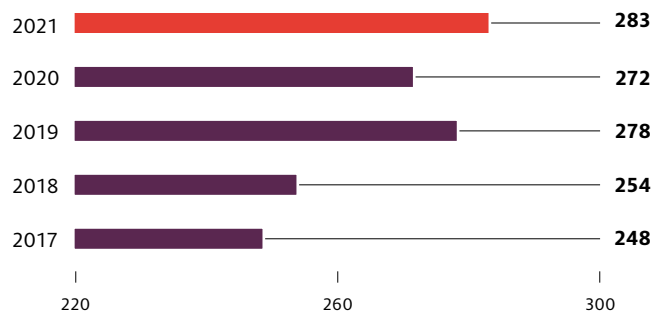
The Food & Beverage division achieved high single to low double-digit percentage sales growth in all regions. An exceptionally strong result was achieved by the Beverages business unit, which benefited from an increase in out-of-home consumption and a resulting rise in demand for beverages. Increased demand for savory products since the start of the pandemic helped this business unit to gain particularly positive momentum. The Sweet business recorded slight sales growth, and the Naturals business unit also contributed to the increase in sales with high single-digit growth.

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

Scent & Care segment sales in € million



Scent & Care segment EBITDA in € million



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

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

EBITDA Taste, Nutrition & Health: EBITDA of the Taste, Nutrition & Health segment amounted to € 531 million in the reporting year, significantly higher than in the previous year (2020: € 471 million). The EBITDA margin of 22.7 % also exceeded the level of the previous year (2020 EBITDA margin: 21.9 %).

SCENT & CARE SEGMENT

In the 2021 fiscal year, the **Scent & Care segment** generated sales of € 1,491 million. Compared to the previous year, this represents an increase of 8.9 %. Excluding portfolio and currency translation effects, organic sales growth amounted to 7.9 %. The portfolio effect from the acquisition of Sensient in the last nine months of the 2021 fiscal year amounted to € 40.9 million.

The Fragrance activities recorded solid single-digit percentage organic growth with sales increases in all regions and business units. The Fragrance division benefited in particular from strong demand in the Fine Fragrances business unit. Driven by the resumption of international travel on the one hand

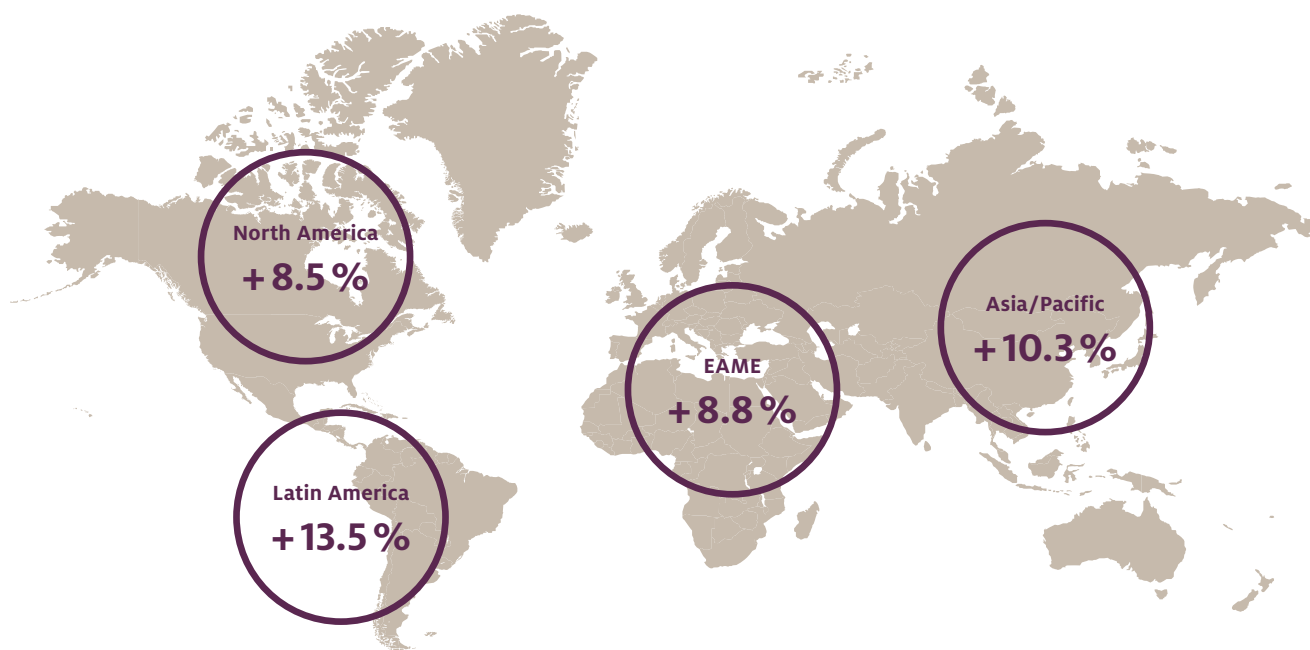
and the normalization of consumer demand following the end of exit restrictions on the other, demand in this area recovered. The Consumer Fragrance and Oral Care business units also performed well and increased sales again compared to the exceptionally high levels of the previous year. Both areas showed organic growth in the single-digit percentage range.

Strong demand for fragrances and menthols led to a good sales performance in the Aroma Molecules division with growth in the high single digits. The highest growth rates were achieved in the North America and Asia/Pacific regions with organic growth in the double-digit percentage. The Menthols business unit achieved double-digit percentage growth due to continued robust demand and successful capacity expansions.

The Cosmetic Ingredients division also benefited from increased travel activity and demand for high-quality cosmetic products. The strong demand for sun protection products and products with active cosmetic ingredients led to high organic growth in the double-digit percentage range. All regions developed dynamically with double-digit percentage sales growth.

EBITDA Scent & Care: Scent & Care generated an EBITDA that was 4.1 % higher than in the previous year with € 283 million in 2021 (2020: € 272 million). The EBITDA margin therefore amounted to 19.0 %, compared to 19.8 % in 2021.

Development in the regions
(organic sales growth)



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DEVELOPMENT IN THE REGIONS

Business in the EAME region developed positively, organically increasing by 8.8 % compared to the previous year. In North America, organic sales growth was 8.5 %. The Asia/Pacific region achieved high organic sales growth of 10.3 % compared to the previous year. Sales development in Latin America was dynamic and recorded an increase of 13.5 % compared to the previous year.

RESULTS OF OPERATIONS

DEVELOPMENT OF MATERIAL LINE ITEMS IN THE INCOME STATEMENT

On the whole, earnings performance in the 2021 fiscal year was good in the second year of the pandemic. The cost of goods sold increased slightly more than proportionately to sales since both raw material and manufacturing costs rose. The gross margin in the reporting year was 38.7 %, which puts it 0.8 percentage points below the previous year's level (39.5 %). The share of selling and marketing expenses in Group sales amounted to 14.7 % after 15.2 % in the previous year. The R & D rate

amounted to 5.8 % (previous year: 6.0 %) of sales. The development of the sales and R&D costs compared to the previous year's level is mostly due to reduced activities such as travel, trade shows, conferences, etc. as a result of the coronavirus pandemic. Administration expenses as a share of Group sales remained stable at 5.8 %.

The increase in other operating income is mainly attributable to the positive one-time effect of € 12.5 million from the sale of the Color business and the recognition of negative goodwill of € 20.8 million from the purchase price allocation of the Sensient business combination.

Furthermore, one-time costs in connection with the acquisition and disposal of companies or parts of companies in the amount of € 8.7 million were incurred in the 2021 fiscal year.

At 21.3 %, the EBITDA margin was slightly higher than the previous year's value of 21.1 %.

Outlook

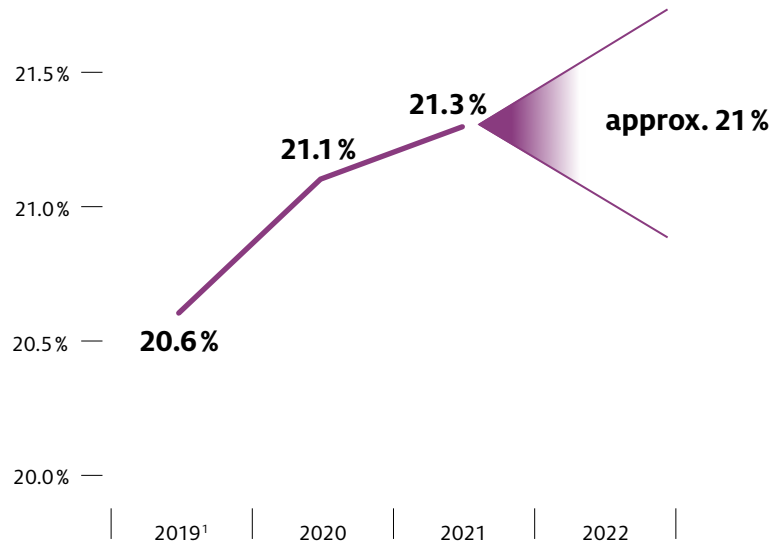
FRAMEWORK

Global economic growth
4.1%

Market growth
3–4%

Commodity prices
increasing noticeably

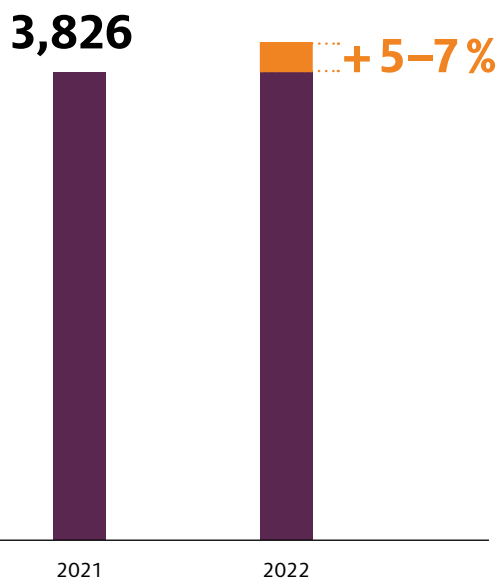
EBITDA MARGIN



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

ORGANIC SALES GROWTH

in € million



EXPECTATIONS

Business free cash flow
in relation to sales
~ 14%

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

EBITDA
2.5 – 2.7

Investments
in relation to sales
~ 5%

FUTURE CORPORATE DEVELOPMENT

For 2022, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market. The forecast long-term growth according to IAL Consultants is around 3 to 4 % worldwide. For the Group, expected long-term growth of 5 to 7 % (CAGR) remains unchanged and is also anticipated to be achieved in 2022.

The disciplined cost management and focus on high-margin business will be continued to further increase earnings. This includes initiatives to reduce the complexity of processes and workflows and the development of innovative, sustainable products and technologies. Assuming a noticeable increase in raw material costs, the Group expects an EBITDA margin of approximately 21 % in 2022. The ratio of net debt (including provisions for pensions and similar obligations as well as lease liabilities) to EBITDA(N) should be between 2.5 and 2.7 at the end of 2022. For the business free cash flow, the Group is aiming for a rate relative to sales of approximately 14 % in 2022.

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

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GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

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

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

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

Corporate Governance Statement

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

Consolidated Income Statement

In € thousand	2020	2021
Sales	3,520,451	3,825,691
Cost of goods sold	- 2,129,973	- 2,346,860
Gross profit	1,390,478	1,478,831
Selling and marketing expenses	- 533,527	- 563,715
Research and development expenses	- 212,297	- 220,742
Administration expenses	- 203,194	- 220,995
Other operating income	50,767	85,796
Other operating expenses	- 8,239	- 4,936
Result of companies accounted for using the equity method	3,525	4,716
Income from operations/EBIT	487,513	558,955
Financial income	3,471	3,681
Financial expenses	- 67,422	- 46,444
Financial result	- 63,951	- 42,763
Earnings before income taxes	423,562	516,192
Income taxes	- 108,611	- 131,160
Consolidated net income	314,951	385,032
of which attributable to shareholders of Symrise AG	306,873	374,924
of which attributable to non-controlling interests	8,078	10,108
Earnings per share (€)		
basic	2.27	2.74
diluted	2.22	2.70

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Consolidated Statement of Financial Position

In € thousand	December 31, 2020	December 31, 2021
ASSETS		
Current assets		
Cash and cash equivalents	725,136	453,808
Trade receivables	600,795	729,941
Inventories	862,887	987,961
Other non-financial assets and receivables	79,824	96,076
Other financial assets	15,175	11,335
Income tax assets	15,922	46,357
Assets held for sale	0	4,434
	2,299,739	2,329,912
Non-current assets		
Intangible assets	2,194,060	2,481,917
Property, plant and equipment	1,205,214	1,320,935
Other non-financial assets and receivables	19,531	16,959
Other financial assets	16,823	275,661
Investments in companies accounted for using the equity method	80,354	114,629
Deferred tax assets	124,048	102,725
	3,640,030	4,312,826
TOTAL ASSETS	5,939,769	6,642,738

Consolidated Statement of Financial Position

In € thousand	December 31, 2020	December 31, 2021
LIABILITIES		
Current liabilities		
Trade payables	334,178	412,786
Borrowings	9,666	353,743
Lease liabilities	22,234	21,800
Other non-financial liabilities	205,739	250,417
Other provisions	15,309	12,082
Other financial liabilities	2,459	10,357
Income tax liabilities	67,253	81,162
Liabilities directly associated with assets held for sale	0	2,218
	656,838	1,144,565
Non-current liabilities		
Borrowings	1,963,682	1,342,124
Lease liabilities	77,173	83,060
Other non-financial liabilities	5,428	5,962
Other provisions	34,680	35,162
Provisions for pensions and similar obligations	681,175	617,183
Other financial liabilities	1,428	925
Deferred tax liabilities	154,441	161,498
Income tax liabilities	3,263	0
	2,921,270	2,245,914
TOTAL LIABILITIES	3,578,108	3,390,479
EQUITY		
Share capital	135,427	139,772
Capital reserve	1,798,030	2,180,722
Reserve for remeasurements (pensions)	-264,628	-212,006
Cumulative translation differences	-418,515	-248,814
Retained earnings	1,048,250	1,286,247
Other reserves	3,291	41,982
Symrise AG shareholders' equity	2,301,855	3,187,903
Non-controlling interests	59,806	64,356
TOTAL EQUITY	2,361,661	3,252,259
LIABILITIES AND EQUITY	5,939,769	6,642,738

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Forward-Looking Statements

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



Jennifer Bufalo works with natural substances for perfume development.