

Sustainability Record 2016

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Symrise uses the international standards of the Global Reporting Initiative (GRI) for reporting on its non-financial and sustainability-related performance. The following sustainability record systematically presents all aspects and indicators deemed material by Symrise regarding its profile as well as its business, environmental and social performance for the 2016 fiscal year. Informational briefs on the individual GRI items are supplemented with interactive links. These links will take you to additional information, data and facts. The reporting is being performed in accordance with the “comprehensive” option pursuant to the current GRI sustainability reporting guidelines (2016). All of the sustainability disclosures marked with ✓ were audited and verified by an external review pursuant to the AA1000 Assurance Standard. The review assesses all quantitative and qualitative disclosures. The corresponding certification can be found [here](#).



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GRI 102 – GENERAL DISCLOSURES

ORGANIZATIONAL PROFILE

102-1 ✓

Name of the organization

Symrise AG

102-2 ✓

Activities, brands, products, and services

Symrise develops, produces and sells fragrances and flavorings, 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 roughly 30,000 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, baby food and pet food. Although most consumers do not know the Symrise brand, our products can be found in most households.

102-3 ✓

Location of headquarters

Holzminden, Germany

102-4 ✓

Location of operations

With sites in more than 40 countries, Symrise has a local presence in its most important sales markets. Symrise products are bought and sold in about 160 countries worldwide.

102-5 ✓

Ownership and legal form

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

102-6 ✓

Markets served

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Symrise has sites in more than 40 countries and serves over 6,000 customers in roughly 160 countries.

102-7 ✓

Scale of the organization

With sales of € 2.9 billion in the 2016 fiscal year, a market share of 11%, and roughly 30,000 products, the company is one of the world's leading suppliers on the fragrance and flavor market. Headquartered in Holzminden, Germany, the Group is represented in over 40 countries 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. Symrise's roots 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. With a market capitalization of about € 7.5 billion at the end of 2016, Symrise shares are listed on the MDAX® index. Currently, approximately 94% of the shares are in free float.

102-8 ✓**Information on employees and other workers**

38.2 % of our employees are women. Up to 95 % have permanent contracts whereas only a very small number of our female employees (5 %) have fixed-term contracts.

At our locations outside of Germany, the employees work almost exclusively in full-time positions in accordance with the respective local labor laws. In Germany, there are 416 employees who work part-time. This amounts to 15 % of our German workforce.

All key activities at Symrise are performed by employees and supervised workers of the Symrise Group. The percentage of temporary workers was roughly 2.8 % at Symrise including Diana in 2016.

At Symrise there are no noteworthy fluctuations throughout the year in the number of employees, such as seasonal workers.

The following information is based on our monthly headcount reporting as well as our annual diversity data reporting, which comprises the following countries: Germany, France, USA, Singapore, China, India, Brazil and Mexico.

GLOBAL EMPLOYEES (HEADCOUNT) ACCORDING TO CONTRACT TYPE AND WORKING HOURS*

	2014	2015	2016	Change in 2016
Permanent contracts				
Full time	7,525	7,453	8,005	7.41 %
Part time	512	650	563	- 13.38 %
Total	8,037	8,103	8,568	5.74 %
Fixed-term contracts				
Full time	280	321	338	5.30 %
Part time	40	50	38	- 24.00 %
Total	320	371	376	1.35 %
Total				
Full time	7,805	7,774	8,343	7.32 %
Part time	552	700	601	- 14.14 %
Total	8,357	8,474	8,944	5.55 %

* Basis: Employee figures, not including apprentices, temporary workers and trainees, as of December 31 of the respective year. Small differences in the totals may be present due to rounding.

EMPLOYEES (FTE) BY REGION*

Region	2014	2015	2016	Change in 2016
Germany	2,462	2,528	2,586	+ 2 %
EAME (not including Germany)	1,829	1,782	1,876	+ 5 %
North America	922	952	1,339	+ 41 %**
Asia/Pacific	1,333	1,361	1,424	+ 5 %
Latin America	1,614	1,678	1,719	+ 2 %
Total (excluding apprentices and trainees)	8,160	8,301	8,944	+ 8 %
Apprentices and trainees	141	147	148	+ 1 %
Total	8,301	8,448	9,092	+ 8 %

* Basis: Full-Time Equivalents (FTE), not including temporary employees; as of December 31 of the respective year; small differences in the totals may be present due to rounding.

** Atypically high increase due to the acquisition of Pinova/Renessenz

Omissions:

The distribution of our employees by region and contract type is not reported according to gender since this information is not material nor does it play a role in the decision-making process for Symrise.

102-9 ✓

Supply chain

We manufacture our products using approximately 10,000 natural and synthetic raw materials from over 100 countries. These materials find their way into around 30,000 products worldwide. Overall, Symrise works with approximately 5,100 suppliers around the world. The majority of our suppliers come from the EAME region (Europe, Africa, and the Middle East).

We are constantly adapting the organizational structure of our purchasing department to the changing conditions on the market. Procurement at Symrise is organized in a decentralized manner in the three segments Flavor, Nutrition and Scent & Care. This way we can manage purchasing processes in a more targeted manner and continually optimize the supply chain. An established score-card system supports purchasers with relevant key figures. In keeping with our sustainable sourcing policy, we rely on close and continuous cooperation with our suppliers, on social and ecological commitment locally, and on strategic partnerships with our key customers.

National and international standards and legal requirements on the protection of humans and the environment comprise a core component of Symrise's purchasing policy.

102-10 ✓

Significant changes to the organization and its supply chain

Since October 2016, the operating activities of the Symrise Group have been broken down into three segments: Flavor, Nutrition and Scent & Care. The divisions within these segments are organized according to business units and regions.

102-11 ✓

Precautionary Principle or approach

The precautionary principle is cited as a guiding principle for risk prevention in guidelines and initiatives such as the UN Global Compact. The risk management system at Symrise is based on the framework of generally recognized standards (ISO 31000) and extends across all Group companies and business units.

The precautionary principle is particularly important when it comes to managing the local impact of our business activities. Our Integrated Management System is based on the international standards on quality (ISO 9001), the environment (ISO 14001), occupational health and safety (OHSAS 18001), sustainability (ISO 26000), energy (ISO 50001), social accountability (SA 8000), the generally accepted audit standards of the Global Food Safety Initiative (GFSI) and other recognized local standards that promote a continuous improvement in performance. Symrise also joined the Responsible Care Initiative in 1997 and adopted its guidelines for continual improvement in the areas of safety, health and environmental preservation.

For over three years in a row, Symrise has received external recognition for its sustainability record, once more receiving "Green Company" certification from DQS in 2016, a leading auditor of corporate processes. In addition, Symrise was presented with the [DQS Excellence Award](#) twice in 2016 – for resource efficiency and biodiversity – due to its outstanding achievements in the area of sustainable company management.

Independent DQS auditors examined the company's internal processes closely. Their findings: Research and development, as well as production and sales, demonstrated environmentally conscious operations. In this way, Symrise fulfills the international requirements of the Global Conformance Program for environmental management.

Symrise distinguished itself with a Leadership A rating for the area of Germany, Austria and Switzerland in the CDP Climate Performance Leadership Index 2016. This year's Leadership Rating of A- for the topic of water represents a significant improvement compared to the previous year. For the first time in its history, Symrise disclosed information on the topic of forests and also received a rating of A- for this. This allowed Symrise to obtain a Leadership Rating for all three topics. Our A- rating in the 2016 CDP Supplier Engagement Rating also placed us far above the average rating of C-. The rating confirms how successful our collaboration has been with our suppliers to reduce negative environmental effects in the supply chain.

With this certification, the CDP, a nonprofit organization, proves that Symrise factors ecological risks and rewards into its core business and informs external stakeholders about this in a comprehensive and transparent manner.

102-12 ✓

External initiatives

Symrise wants to drive up its corporate value and the sustainability of its business activities over the long term. This is the reason the management and supervisory committees at Symrise AG align their activities with various principles of responsible management. The aims of the German Corporate Governance Code, for instance, serve as the standard for good management in both the Executive and Supervisory Boards. The ten principles of the United Nations' Global Compact, which we signed in 2012, provide additional guidance for our entrepreneurial actions. Thanks to our "advanced level" reporting, which we first implemented in 2014, we've strengthened our commitment in this area even further. Furthermore, we support the United Nations' Sustainable Development Goals, which it published in 2015. In an initial step, we reviewed the compatibility of our sustainability strategy and objectives with the sustainable development goals (SDGs) that apply to Symrise. Through this, we were able to identify further areas for improvement.

In 2013, Symrise became a member of the Sustainable Spices Initiative (SSI). Sustainably cultivating and purchasing raw materials are a central focus for both Symrise and the SSI. Together with customers, suppliers and NGOs, we want to actively cooperate with the SSI, sharing our knowledge while also gaining new experience. With the acquisition of Diana and the corresponding expansion of our portfolio, animal welfare has received greater prominence on our agenda. That is why we founded the U.S. Roundtable for Sustainable Beef together with other companies in 2015. The goal is to continually improve the value chain for beef.

In addition, Symrise has been a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2015, and we have set high goals for ourselves, some of which we've already achieved. By the middle of 2016, we converted our supply chain to palm oil certified as 100% RPSO "Mass Balance." Between now and the end of 2018, we will be working with our strategic suppliers on implementing fully sustainable sourcing for our primary palm oil derivatives and on switching to materials made from 100% RSPO "Mass Balance"-certified palm oil. We have the same goal in place for our sourcing of secondary palm oil derivatives by the end of 2020.

We have been a member of the [Sustainable Agricultural Initiative](#) (SAI) since 2016, which underscores our commitment to sustainably sourcing natural raw materials and to achieving the strategic goal of backward integration.

102-13 ✓

Membership of associations

Beyond the numerous existing requirements for the fragrance and flavor industry, we have made further commitments to additional standards – and work actively on their development. For instance, we do this through our involvement with associations like the International Fragrance Association (IFRA), the International Organization of the Flavor Industry (IOFI), the European Federation of Cosmetic Ingredients (EFFCI) and the Chemical Industry Association (VCI). Our employees in Compliance, Regulatory Affairs and R&D represent Symrise in the world's largest associations for the fragrance, flavor and cosmetics industries.

STRATEGY

102-14 ✓

Statement from senior decision-maker

Dear readers and friends of Symrise,

"You can't overtake someone if you're following in their footsteps." Such was the belief of French film director François Truffaut, who forged many new paths with his work. "Diversifying Success. Successfully Diversifying", the motto of the 2016 Corporate Report, also harnesses this belief. Symrise is one of the most successful companies in the industry because we are willing to look beyond the classic areas of flavors and fragrances to find new areas of activity and markets where we can utilize our strengths. Because of this, we have grown twice as fast as the rest of our market. On the one hand, we are expanding our customary business units with innovations and new products. While on the other hand, we have also become stronger through business combinations, which in turn have redefined our portfolio and our structure.

That Symrise often takes a different approach to things is clear from the articles in our magazine: How we sustainably extract scent molecules from natural byproducts (see [The Fragrance of Forests](#)). Why our employees visit banana plantations in Ecuador (see [Everything's Bananas!](#)). Or why Symrise keeps its own bees (see [Of Bees and Biodiversity](#)).

Striving for economic success is what drives us. The results for the 2016 fiscal year are presented in the summary of the Group management report and consolidated financial statements. Sustainable business practices are an integral part of our corporate strategy and our business model. A comprehensive picture of this is provided in an [input-output model](#) developed specifically for this report on page 9. As a signatory of the United Nations Global Compact, we actively support the principles of responsible business outlined therein.

2016 was a successful year for Symrise, in which we could also celebrate ten years of being a publicly traded company. Our share has more than tripled its value since 2006. We are sticking to our medium-term goals until 2020: annual sales growth of 5 to 7%, an EBITDA margin between 19 and 22%. We are optimistic about the prospects for 2017. Symrise will continue to be successful – successfully different.

We hope you enjoy reading the Symrise Corporate Report for 2016.

Your Global Management Committee

102-15 ✓

Key impacts, risks, and opportunities

We believe that economic success, sustainability and social acceptance are inextricably linked. Symrise's corporate strategy is based on the three pillars of growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. Our integrated corporate strategy is further defined and expanded by goals and measures along the four pillars of our sustainability activities: footprint, innovation, sourcing and care. In this way, we are making sustainability an integral part of our business model and turning it into a clear competitive advantage.

Using a materiality analysis, we have systematically assessed the impacts of our business activities within the context of sustainability and our stakeholders' expectations (see also [102-46](#)).

We have established a Group-wide risk management system to identify the rewards and risks that are associated with our sustainability challenges. This covers sustainability-relevant issues as a subcategory of nearly all other risk categories – from environmental and industry risks via procurement and product risks to operating risks. Rewards and risks, particularly those relating to climate change, water, forest, and biodiversity, are evaluated at least twice a year by the Sustainability Board over a horizon of more than six years.

Growth

With more than 80 production sites around the world, we develop our products primarily in the regions where they are sold. We source them locally and supply the materials mainly to customers in close proximity to the company sites. This is one way we significantly reduce traffic-related emissions. At the same time, this gives us short delivery times and greater flexibility.

This is why we decided to source onions, one of our most important raw materials, as locally as possible – usually within a radius of less than 100 kilometers. As a result, we reduced our CO₂ footprint for onions by up to 75% compared to conventional goods. Furthermore, we began operations at a new production site in Russia four years ago to avoid transporting high volumes of raw materials from Germany to Russia.

Efficiency

We have had all of our German sites certified to the ISO 50001 standard for systematic energy management and are planning measures to increase our energy efficiency. Energy audits according to the regulations of the Energy Efficiency Directive (EED) were performed at our other European sites.

Thanks to the support of our TPM teams, most of our other production sites have also been certified to environmental management system standards (ISO 14001). The teams regularly analyze manufacturing processes looking for opportunities to save energy or to increase process efficiency in a sustainable manner.

Energy costs have a material influence on our profitability and therefore our competitive position. Furthermore, we meet customer expectations and can create added value by helping our customers achieve their CO₂ goals.

Product Portfolio

Processing raw materials is quite energy-intensive, which has a substantial impact on our operational costs. To avoid losses, we hold to an integrated approach that enables us to use resources as efficiently as possible. For instance, we use more than 98% of the onion thanks to improvements from our last “onion optimization process” in 2016. This underscores just how important continuous optimization is for our future.

Our menthol production has been greatly expanded. With our synthetic material, we are less dependent on natural menthol. The production processes for natural menthol emit about ten times as much CO₂ as synthetic menthol. This also ensures we’ll have long-term availability for raw materials. We are also working on suitable solutions for other raw materials. We are currently developing a process that creates one of our strongest revenue-generating products using renewable byproducts from other industries rather than mineral oil.

We have set ourselves ambitious goals and enacted corresponding measures for the continual integration of business and sustainability. Symrise can only achieve sustainable growth if we implement our economic efforts in a proactive and responsible way. Our economic ambitions are therefore aligned with our integrated corporate strategy of goals and measures in keeping with the four pillars of our sustainability agenda.

In terms of these goals, we are making good progress. The 2016 awards we received within various areas testify to this. And yet, we still face regular challenges that represent both opportunities for growth and areas for further continued improvement.

In 2016 we conducted an [employee engagement survey](#) to help us determine the root causes for many of the challenges our employees face so that we may better implement measures to support them.

In terms of our goals for the footprint and sourcing focus areas, our acquisition of Diana in 2014 and our acquisition of Pinova/ Renessenz in 2016 presented us with special challenges regarding how we collect our sustainability data. Nonetheless, we were successful in expanding our data collection procedures to both new units in 2016. We still see a need for improvement in terms of our joint supplier evaluation based on SEDEX criteria and site certification. We will therefore again focus intensively on this area in 2017.

Our 2016 Track Record

FOOTPRINT*

- **5.4 %** reduction in greenhouse gas emissions (Scope 1+2)

(2016 – 2020 goal: Reduction of 4 % per year)

- **17.2 %** reduction of chemical oxygen demand in wastewater

(2016 – 2020 goal: Reduction of 4 % per year)

+ **0.9 %** increase of sensitive waste volume

(2016 – 2020 goal: Reduction of 4 % per year)



INNOVATION

48 patents submitted

(2016 – 2020 goal: > 25 patents per year)

Integration of the key goals of the **UN Biodiversity Convention** into research and development

23 sustainable biodiversity based **product innovations** from the Amazonian Rainforest and Madagascar developed



SOURCING

86 % of main suppliers based on procurement volume rated according to sustainability criteria

(2016 – 2020 goal: Raise this share by 4 percentage points every year; 2020 goal: 100 % share)

41 strategic supply chains certified

100 % of palm oil requirement procured from sources certified as “mass balance” or “segregated”, in accordance with our Palmoil Policy

(2020 goal: 100 % of raw materials and derivatives from palm oil sourced from sustainable sources that follow our Palmoil Policy)



CARE

38.3 % Share of women among Symrise employees worldwide
(2020 goal: 40 %)

21 % Global share of women in upper management

3.8 MAQ** accident frequency
(2020 goal: MAQ < 2.0)



*All figures relative to the value created and excluding Pinova/Renessenz

** MAQ = work accidents (>1 lost day) x 1 million/working hours

ETHICS AND INTEGRITY**102-16 ✓****Values, principles, standards and norms of behaviour**

Shared values form the basis of Symrise's sustained success. Excellence, creativity and commitment are our keys for outstanding performance and innovative products. We closely link our economic goals with our everyday responsibility for the environment, our employees and society. Only when our interactions with each other are rooted in integrity can we create lasting added value for all. As a result, our values pave the path for us to become the most successful company in our industry in the long term and help us to inseparably combine business success, sustainability and social trust.

A compulsory guiding principle for all employees is our Code of Conduct. We fundamentally revised this in 2016 and adapted it to the latest developments. The Code references ethical and legal challenges that can arise in the workplace, as part of business relationships or when handling information. It regulates behavior with key Symrise partners and ensures transparent and reliable processes. In the interest of all employees and the company, we react swiftly to violations against the Code and rectify their causes. Misconduct is consistently prosecuted in accordance with the applicable national laws.

102-17 ✓**Mechanisms for advice and concerns about ethics**

As is described in our Code of Conduct, various points of contact exist for our employees when it comes to voicing questions or concerns regarding ethical and legal behavior as well as integrity-related concerns. Employees can turn to their superiors in the first instance. If an employee cannot talk to their superior about their concern, for example, because this person is also affected, the employee can discuss the issue with an HR officer, the works council or the next highest superior. Our employees can also contact the responsible Compliance Officer at their site anonymously and confidentially. Violations of the Code of Conduct can also be reported anonymously using the Integrity Hotline. Additionally, our legal department is available to advise our employees on questions regarding legal behavior.

To guard against any breach in legal and ethical standards, the Group Compliance office installed an Integrity Hotline in summer 2008. This ensures that Symrise employees can anonymously report any breaches in legal regulations and internal company guidelines at any Symrise locations around the world. With this hotline, employees are able to contact the Group Compliance office using toll-free telephone numbers that have been specially set up in individual countries. An intermediary service operator ensures that employees can retain anonymity and communicate in their own native language.

GOVERNANCE**102-18 ✓****Governance structure**

The Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) is available on an ongoing basis on our website www.symrise.com.

102-19 ✓**Delegating authority**

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 Report of the Supervisory Board and in the Corporate Governance Statement.

102-20 ✓

Executive-level responsibility for economic, environmental, and social topics

In 2009, we founded the Symrise Sustainability Board – a global, cross-divisional body that aims to facilitate the integration of sustainability into our core processes. Multiple times per year, representatives from upper management come together within this framework to ensure that sustainability-relevant topics and the concerns of our important stakeholder groups are considered along the entire value chain.

In 2016, the Executive Board first established the position of Chief Sustainability Officer as a way to strengthen their commitment to sustainable development even more. The CSO reports directly to the CEO and functions as the Director of the Sustainability Board.

The Sustainability Board sets sustainability objectives, which are then directly implemented in the respective divisions. This is why the Executive Board and the Sustainability Board have appointed sustainability officers to be responsible for sustainability in the Flavor, Nutrition and Scent & Care business segments as well one representative from Human Resources, Investor Relations and Corporate Communication. The direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG, who receives regular reports on the progress of all sustainability activities. The company's sustainability objectives also flow into individual performance goals and thereby into executive remuneration.

102-21 ✓

Consulting stakeholders on economic, environmental, and social topics

Symrise AG shareholders exercise their codetermination and control rights at the Annual General Meeting, which takes place at least once each year. We regularly inform our shareholders, analysts, shareholder associations and the public of all important dates through a financial calendar. Corporate communication is undertaken with the objective of guaranteeing the greatest possible transparency and equality of opportunities through timely and equal information to all target groups (see [102-43](#)).

102-22 ✓

Composition of the highest governance body and its committees

The current Supervisory Board at Symrise AG has a total of twelve members, including seven independent members and four women: Ms. Buck, Ms. Härtling, Ms. Hufnagel and Prof. Dr. Pfeifer. With the support of corresponding nominations, the Supervisory Board seeks to ensure that in its future composition at least 30 % of its members are female. The "Act for the Equal Participation of Women and Men in Management Positions," passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, was implemented in 2016.

This act also seeks to increase the number of female executives in leading positions in business and to reach cross-the-board gender parity in the long term. Against the backdrop of the current situation at Symrise and the remaining terms on the existing employment contracts for the members of the Executive Board, the Supervisory Board decided on "zero" as the share of women in the Executive Board by June 30, 2017. By 2020, the share of women on the Executive Board should reach 20 %.

Symrise is a globally operating company with several high-level management positions outside of Germany. The basis for Symrise's quota for female managers is therefore the global management structure at Symrise AG. The share of women at the first level of management beneath the Executive Board should amount to at least 16 % by June 30, 2017. The second level of management should amount to at least 22 %. If one limits Symrise's management structure to its managers in Germany, the share of women at the first and second level of management beneath the Executive Board is currently 10 % and should be increased to 12 % by June 30, 2017. Symrise would like to achieve a higher quota here in the longer term.

Also, at least seven independent members should always be included in the Supervisory Board. Furthermore, we are seeking to maintain a Supervisory Board composition where at least one-third of the members are international. In addition, at least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing.

Pursuant to Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG), of the twelve members of the Supervisory Board, six assume memberships in other supervisory boards to be legally constituted and memberships in comparable domestic and international supervisory bodies of commercial enterprises:

Dr. Thomas Rabe:

- Arvato AG, Gütersloh, Chairman of the Supervisory Board (until August 3, 2016)
- Bertelsmann Inc., Wilmington, USA, Chairman of the Supervisory Board
- RTL Group S.A., Luxembourg, Chairman of the Supervisory Board
- Penguin Random House LLC, UK, Member of the Supervisory Board
- Arist Education System, Littleton, USA, Member of the Supervisory Board (until January 1, 2016)
- Bertelsmann Learning LLC, New York, USA, Member of the Supervisory Board
- Relias Learning LLC, Cary, USA, Member of the Supervisory Board

Dr. Michael Becker:

- Bâloise Holding AG, Basel, Switzerland, Member of the Board of Directors

Jeannette Härtling:

- Esco GmbH, Hanover, Member of the Advisory Board

Prof. Dr. Andrea Pfeifer:

- Bio MedInvest AG, Basel, Switzerland, Chairperson of the Board of Directors
- AB2 Bio SA, Lausanne, Switzerland, Chairperson of the Board of Directors

Dr. Winfried Steeger:

- Verwaltungsgesellschaft Otto mbH (codetermined limited liability company of the Otto Group), Hamburg, Member of the Supervisory Board
- EUROKAI GmbH & Co. KGaA, Hamburg, Chairman of the Supervisory Board
- Blue Elephant Energy AG, Hamburg, Member of the Supervisory Board
- August Prien Verwaltung GmbH, Hamburg, Chairman of the Supervisory Board
- Otto Dörner GmbH & Co. KG, Hamburg, Member of the Advisory Board
- EUROGATE Geschäftsführungs-GmbH & Co KGaA, Bremen, Member of the Supervisory Board

Peter Winkelmann:

- amedes Holding GmbH, Hamburg, Vice Chairman of the Supervisory Board
- aenova Holding GmbH, Starnberg, Vice Chairman of the Supervisory Board

The only strategic investor is the Gerberding family. As defined by the German Stock Exchange, all other investors are considered free float investors.

102-23 ✓

Chair of the highest governance body

As in previous years, no former Executive Board members are serving on the Supervisory Board in order to ensure its neutral and independent consulting and monitoring of the Executive Board.

102-24 ✓

Nominating and selecting the highest governance body

In accordance with the articles of incorporation, Symrise AG's Supervisory Board has twelve members, with six representatives elected by the shareholders and six by the employees. The period of office is identical for all members. In accordance with the recommendations of the German Corporate Governance Code, the shareholder representatives are elected individually at the Annual General Meeting.

The term of office for all Supervisory Board members ended with the conclusion of the Annual General Meeting on May 11, 2016. At the Annual General Meeting on May 11, 2016, shareholders therefore elected six shareholder representatives to the Supervisory Board on a rotational basis. The elections for the Supervisory Board were conducted by separate votes. The six employee representatives were chosen from among the German staff on February 24, 2016, in compliance with the legally prescribed election process.

The Supervisory Board has constituted four committees including a nominations committee so that they may effectively perform their duties. The Nominations Committee consists exclusively of shareholder representatives from the Supervisory Board in accordance with the German Corporate Governance Code. Its task is to recommend shareholder representatives to the Annual General Meeting who would be suitable Supervisory Board members for upcoming Supervisory Board elections. The current three members are Dr. Thomas Rabe (Chairman), Horst-Otto Gerberding and Prof. Dr. Andrea Pfeifer.

The Supervisory Board is to name specific goals for its composition pursuant to No. 5.4.1 (2) sentence 1 of the German Corporate Governance Code in the current version from May 5, 2015, that, in keeping with the company's specific situation, take account of (i) the company's international activity, (ii) potential conflicts of interest, (iii) the number of independent Supervisory Board members, (iv) an age limit for Supervisory Board members to be defined, (v) a maximum period for membership in the Supervisory Board to be determined and (vi) diversity, among other things.

With the support of corresponding nominations, the Supervisory Board seeks to ensure that in its future composition at least 30 % of its members are female. The "Act for the Equal Participation of Women and Men in Management Positions," passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, was implemented in 2016. Generally, at least seven independent members should always be represented in the Supervisory Board. Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members from other nations does not fall below one-third. The term of office for a Supervisory Board member must end at the conclusion of the Annual General Meeting following the member's 70th birthday. The maximum limit for membership in the Supervisory Board is four terms of office. All of these targets are currently being met. Concerning future nominations, it will be ensured that the targets defined by the Supervisory Board continue to be fulfilled.

Pursuant to Section 100 of the German Stock Corporation Act (AktG), members of the Supervisory Board as a whole must be familiar with the sector/industry in which the company is active.

102-25 ✓

Conflicts of interest

As in the previous year, conflicts of interest of members of the Executive and Supervisory Boards, which must be disclosed to the Supervisory Board without delay and reported to the Annual General Meeting along with their underlying circumstances and a report of how they will be handled, did not occur in 2016.

102-26 ✓

Role of highest governance body in setting purpose, values and strategy

The direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG, who receives regular reports on the progress of all sustainability activities. The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company.

The Corporate Sustainability department coordinates our global sustainability management. Together with the business divisions involved, it develops guidelines and procedural instructions based on the global principles defined by the Executive Board and assesses compliance with legal requirements and obligations set by Symrise. The Executive Board and the Corporate Sustainability department define goals for the four focus areas (footprint, innovation, sourcing and care) that apply for the entire Group.

102-27 ✓

Collective knowledge of highest governance body

When nominating candidates for election to the Supervisory Board, particular attention is paid to the knowledge, skills and professional experience required for the duties to be performed, as well as to the principle of diversity among the Supervisory Board's members. Every Supervisory Board member must have the knowledge, skills and professional experience required for the duties to be performed in consideration of the company's international operations. The members of the Supervisory Board participate in training and educational measures necessary for their duties on their own authority.

102-28 ✓

Evaluating the highest governance body's performance

The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company. As in the past, the Supervisory Board formed a total of four committees to fulfill its responsibilities more efficiently. These committees draft the Supervisory Board's resolutions and prepare the agenda items to be addressed in the full meetings.

As in previous years, no former Executive Board members are serving on the Supervisory Board in order to ensure its neutral and independent consulting and monitoring of the Executive Board. At least one independent member has expertise in accounting or auditing.

102-29 ✓**Identifying and managing economic, environmental, and social impacts**

Along with the audit of annual accounts and monitoring of accounting procedures, the Auditing Committee set up by the Supervisory Board also undertakes regular auditing and monitoring of the effectiveness of the internal control and risk management systems. This also includes, for example, regular reporting by Internal Auditing and Symrise's Group Compliance office.

102-30 ✓**Effectiveness of risk management processes**

Internal Auditing performs cyclical and ad hoc audits of units in the Symrise Group. Specific measures are proposed in the audit reports to help mitigate the identified risks. Internal Auditing also reviews how these measures to mitigate risk are implemented. Specific staff members are assigned responsibility for this and held accountable in their performance review.

102-31 ✓**Review of economic, environmental, and social topics**

The risk management system at Symrise is based on a framework of generally recognized standards and extends across the Symrise's Group companies and business units. Risk assessment is coordinated at the Group level. Risk reports are drawn up for the individual companies and are then compiled to provide a current overview of the risk situation at the Group level. This Group risk report is passed on to the Executive Board and Supervisory Board twice a year. There, potential risks are identified and classified according to their effect on profit (net method) as well as the probability of their occurrence. Additionally, an efficacy test of the risk report is performed during internal corporate audits.

102-32 ✓**Highest governance body's role in sustainability reporting**

The Executive Board of Symrise assesses the report.

102-33 ✓**Communicating critical concerns**

Compliance topics, insofar as they exist, are initially reported to the Executive Board and then to the Supervisory Board via the Auditing Committee. If the Executive Board itself is subject to any compliance investigation, then reporting goes directly to the Chairperson of the Auditing Committee.

102-34 ✓**Nature and total number of critical concerns**

The Group Compliance Officer and Internal Auditing report to the Auditing Committee of the Supervisory Board regularly at each of the committee's meetings. During the reporting period, the Group Compliance office reported no critical matters to the Supervisory Board.

102-35 ✓**Remuneration policies**

Remuneration of the members of the Executive Board depends upon the responsibilities and personal achievements of the individual Executive Board member as well as the economic situation and market environment of the company as a whole. Each member of the Executive Board receives a fixed annual remuneration (35% of the total remuneration) as well as a variable annual remuneration whose value is performance-based (the annual bonus; 30% of total remuneration). The goals for the annual bonus are set in accordance with the business plan for the current fiscal year as well as in accordance with the achievement of individual goals. The company's sustainability objectives are also incorporated into individual performance goals and thereby into the remuneration package of the Executive Board members. The members' performance goals are communicated to the managers of the correlating divisions. In 2016, management development, succession planning and increased process efficiency were the main priorities. In addition, certain items are also incentivized, such as the reduction of our direct and energy-indirect (Scopes 1 and 2) CO₂ emissions, the sustainable orientation of our innovation process or the sourcing of raw material from sustainable sources.

Moreover, the Supervisory Board allows the members of the Executive Board to participate in our long-term incentive program. Upon maturity, this three-year program provides for a cash bonus (35% of the entire remuneration) dependent of how Symrise's share price has performed over a period of three years. Our company does not offer shares or share options.

When an Executive Board member's contract expires, we offer no termination benefits. If a change-of-control situation happens to arise, then the Executive Board member's contract provides for termination benefits that comply with the German Corporate Governance Code.

We offer a company pension in the form of deferred compensation. This applies to the Executive Board as well as to senior management. We provide our remaining employees with either a pension plan that participates in a pension fund or a suitable pension plan.

80% of the variable annual remuneration for our Executive Board members is based on earning targets (EBITDA) that have been agreed upon with the Supervisory Board. An additional 10% is drawn from the respective division's optimization objectives, and an additional 10% is drawn from sustainability objectives. We have established a separate global performance bonus plan for our approximately 70 managers who have global or regional responsibilities (our senior management). With this, we motivate managers to achieve agreed company targets by means of a variable remuneration geared toward results and performance. Depending upon level of seniority, the variable remuneration of our senior management amounts to 30% to 50% of the fixed annual remuneration.

102-36 ✓

Process for determining remuneration

Pursuant to the Appropriateness of Executive Board Remuneration Act (VorstAG) and according to Section 1 (3) of the rules of procedure of the Supervisory Board of Symrise AG, the Supervisory Board at Symrise determines the remuneration system for the Executive Board. If changes are made to the remuneration system, it must be put to a vote at the annual shareholder meeting.

Once a year, the Supervisory Board's Personnel Committee audits the remuneration of the individual members of the Executive Board. The basis for their audit is a study of executive board remuneration created by a professional consulting company specializing in remuneration.

There is no personal or business relationship between Symrise and the professional consulting company.

102-37 ✓

Stakeholders' involvement in remuneration

The current remuneration system was last put to a vote at the Annual General Meeting in 2015 and approved by 92.96% of shareholders. This remuneration system has been in effect and has remained unchanged since then.

102-38 ✓

Annual total compensation ratio

The remuneration of our employees, including our managers, is based on a standardized job grade concept specific to Symrise. This keeps remuneration oriented towards the value contribution of the position that employees have and not their hierarchical placement. This ensures that remuneration within the company is perceived as fair and in line with the market, and that it is not bound to hierarchical structures.

In Germany, by far our largest site, the average annual total compensation for our employees who enjoy the largest remuneration comes to between around € 250,000 to € 300,000. On average, the annual income of all our employees in Germany amounts to € 55,000. As such, our employees with the highest remuneration earn 4.5 to 5.5 times more than our average employee.

At our Singapore location, the average annual total compensation for our employees who enjoy the largest remuneration comes to between around € 260,000 to € 320,000. On average, the annual income of all our employees in Singapore amounts to € 50,000. As such, our employees with the highest remuneration earn 5.2 to 6.4 times more than our average employee.

At our locations in the United States, the average annual total compensation for our employees who enjoy the largest remuneration comes to between around € 320,000 to € 380,000. On average, the annual income of all our employees in the United States amounts to € 91,000. As such, our employees with the highest remuneration earn 3.5 to 4.1 times more than our average employee.

At our locations in the Brazil, the average annual total compensation for our employees who enjoy the largest remuneration comes to between around € 200,000 to € 252,000. On average, the annual income of all our employees in Brazil amounts to € 30,000. As such, our employees with the highest remuneration earn 6.6 to 8.4 times more than our average employee.

When calculating the figures for Germany, we did not factor in remuneration of the Executive Board. At Symrise, the average remuneration of an Executive Board member, consisting of the fixed remuneration, an annual variable component and a long-term variable component, corresponds to approximately 23 times the average remuneration of Symrise employees in Germany and around 24 times that of Symrise employees worldwide.

102-39 ✓

Percentage increase in annual total compensation ratio

The remuneration for our Executive Board members is in essence fixed for the duration of the standard three-year contract. This means that no annual adjustments are made.

In Germany, the remuneration of all employees has increased by 2.3% thanks to a new collective bargaining agreement. The regular remuneration for the highest paid management has increased by 1.5%.

In Singapore, the remuneration of all employees has increased by 3.0%. The regular remuneration for the highest paid management has increased by 1.5%.

In the United States, the remuneration of all employees has increased by 1.0%. The regular remuneration for the highest paid management has increased by 1.0%.

In Brazil, the remuneration of all employees has increased by 9.0%. The regular remuneration for the highest paid management has increased by 5.5%.

STAKEHOLDER ENGAGEMENT

102-40 ✓

List of stakeholder groups

Symrise is in active dialogue with its stakeholders across the globe. After all, we can only develop the best possible solutions if we know and understand the needs and interests of our most important stakeholder groups. These include customers, employees, shareholders, lenders, neighbors, politicians, nongovernmental organizations and business partners.

102-41 ✓

Collective bargaining agreements

A clear commitment to freedom of association and the right to membership in a labor union are a matter of course for us. As a result, we apply the respective local wage agreements at all sites where this is standard practice, both from a legal and HR-policy standpoint. Globally, 65% of our workforce is covered by collective bargaining agreements, and about 86% of the workforce in Germany is covered by our collective bargaining agreements.

102-42 ✓

Identifying and selecting stakeholders

The selection of the stakeholders was based on the recommendations of the AA1000 Stakeholder Engagement Standard, which we used for the first time in 2014 to reassess and evaluate our stakeholder interactions. The stakeholder analysis is to be repeated at least once a year.

102-43 ✓

Approach to stakeholder engagement

A number of internal and external formats and channels enable Symrise to maintain a lively dialogue with its stakeholders. We receive important input on possible improvements via a continual dialogue with our employees, e.g., through regular feedback. Our strengths and weaknesses are evaluated as part of regular employee engagement surveys.

We conducted the last [employee engagement survey](#) during the previous fiscal year.

With the help of the SEDEX platform, we have also maintained close contact with numerous raw material suppliers on ethics topics since 2011. We keep our customers and investors up to date on developments within our company with road shows and innovation days.

We take the concerns of our neighbors at our sites very seriously and keep them informed via informational events and regular neighborhood newsletters. We also have established a 24/7 environmental on-call service.

We not only maintain a regular exchange of information with nongovernmental organizations but have also entered into strategic partnerships on specific topics, such as biodiversity, in order to generate sustainable value for society and the environment. The expectations our stakeholders have shared with us via these interactions inspire us and form the basis for our work.

102-44 ✓

Key topics and concerns raised

We address the key concerns of our important stakeholder groups via established processes and clear responsibilities at Symrise as well as through our reporting. As part of our stakeholder management in 2016, we were able to use the various formats for exchanging ideas (see 102-43) to increase the significance of topics such as compliance, transparency and credibility, resource conservation, emissions reduction, guaranteeing optimum product safety, diversity and equal opportunity, as well as occupational health and safety. By increasing our activities, we have also expanded on the topics of sustainable agriculture & aquaculture, water and sustainable forestry.

Omissions:

We consider the results of the customer satisfaction surveys to be confidential information.

REPORTING PRACTICE

102-45 ✓

Entities included in the consolidated financial statements

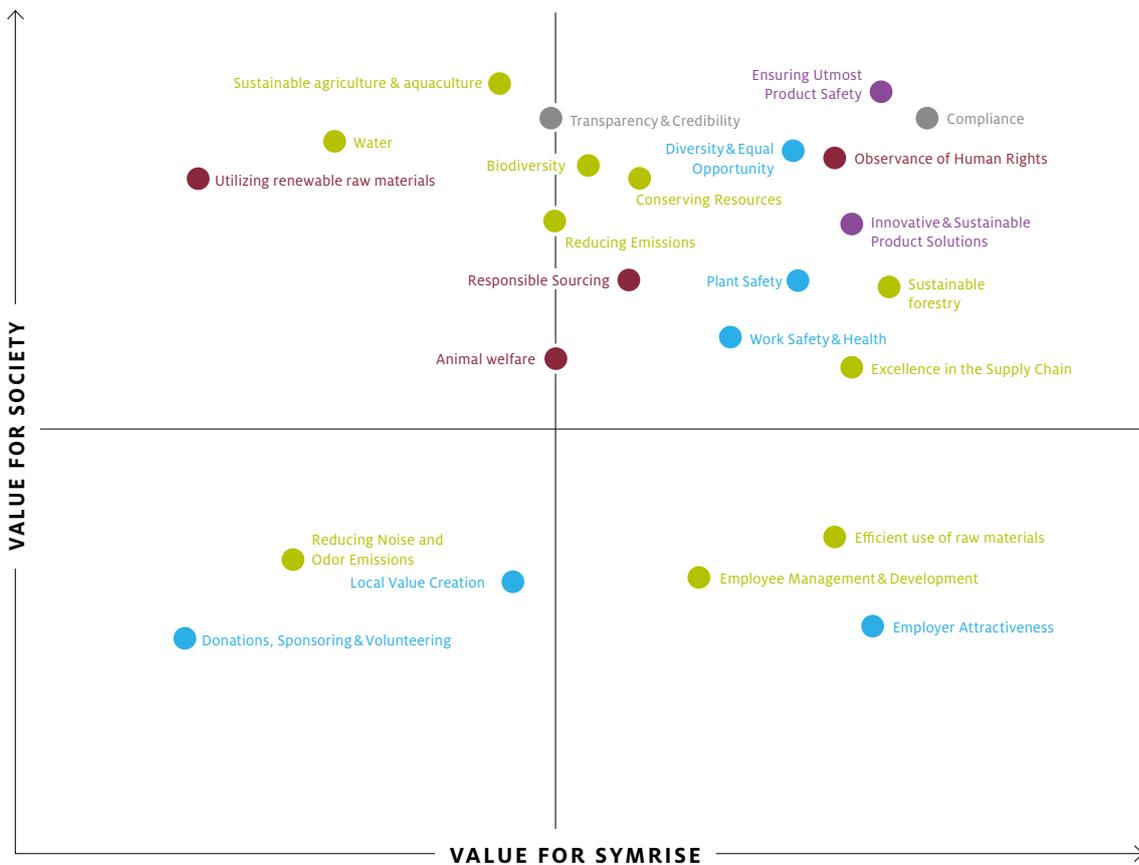
In addition to Symrise AG as parent, the scope of consolidation includes all domestic and foreign companies that Symrise AG directly or indirectly controls or where it has significant influence over their activities. A comprehensive overview of all consolidated companies is provided in the [Financial Report on pages 136 – 138](#).

Unless otherwise indicated, all key figures pertaining to the sustainability record refer to Symrise AG. The key figures relating to our environmental efforts have been collected from 95 % of the sites.

102-46 ✓

Defining report content and topic Boundaries

In 2016 we continued taking a critical look at our most important concerns. In addition to our strategic orientation, our essential concerns also serve to structure our reporting in accordance with the Global Reporting Initiative Standards. We provide comprehensive reporting on topics that are important to Symrise and to society as a whole. We provide a report with at least one indicator on topics that have a high relevance in only one dimension. The analysis of our central topics is based on our “Sharing Values” approach. We analyze these topics taking into account their social value and their value for Symrise, and this allows us to identify topics with the greatest potential to create shared value. In the process, we expanded our business activities in 2016 and added the topics sustainable forestry as well as sustainable agriculture & aquaculture. For the sake of effective management, we divided what was originally one topic, resource conservation and emission reduction, into two separate fields and then singled out water as a stand-alone topic. In 2016, we were able to ascertain a higher social value for compliance, transparency and credibility as well as occupational health and safety. Biodiversity has once again gained in significance for creating value at Symrise. As to the topic of renewable raw materials, we were able to significantly increase our share of renewable raw materials thanks to our acquisition of Diana and Pinova/ Renessenz, allowing us to be now be able to approach this topic downstream.



102-47 ✓

LIST OF MATERIAL TOPICS

Key topics	GRI topics on reporting	Material impact inside the organization	Material impact outside the organization
High materiality (Reported in accordance with the GRI comprehensive option)			
Innovative and sustainable products	– Economic performance – Materials	Symrise AG and its consolidated subsidiaries	Customers (global)
Responsible Sourcing	– Supplier assessment	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Excellence in the supply chain	– Effluents and waste – Energy	Symrise AG and its consolidated subsidiaries	Suppliers, logistics service providers, customers (worldwide)
Resource conservation	– Materials – Effluents and waste	Symrise AG and its consolidated subsidiaries	
Emissions reduction	– Emissions	Symrise AG and its consolidated subsidiaries	
Diversity and equal opportunity	– Diversity and equal opportunities – Nondiscrimination	Symrise AG and its consolidated subsidiaries	
Facility safety	– Effluents and waste – Occupational health and Safety Local communities Indirect economic impacts	Symrise AG and its consolidated subsidiaries	Neighboring communities (worldwide)
Animal welfare	– Animal welfare	Symrise AG and its consolidated subsidiaries	NGOs, customers, consumers, suppliers
Ensuring utmost product safety	– Customer health and safety – Marketing and labeling – Compliance	Symrise AG and its consolidated subsidiaries	Customers (global)
Compliance with human rights	– Human rights assessment – Nondiscrimination – Freedom of association and collective bargaining – Child labor – Forced or compulsory labor – Rights of indigenous peoples	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Biodiversity	– Biodiversity	Symrise AG and its consolidated subsidiaries	Neighboring communities (worldwide)
Sustainable forestry (forest)	– Procurement practices – Biodiversity – Supplier environmental assessment	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Occupational health and safety	– Occupational health and safety	Symrise AG and its consolidated subsidiaries	
Compliance	– Compliance – Nondiscrimination – Anti-corruption	Symrise AG and its consolidated subsidiaries	NGOs, customers, consumers, suppliers
Transparency and credibility	– Anti-competitive behavior – All reported topics	Symrise AG and its consolidated subsidiaries	
Medium materiality (reported in accordance with the GRI core option)			
Sustainable agriculture and aquaculture	– Procurement practices – Biodiversity – Supplier environmental assessment	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Water	– Water – Effluents and waste	Symrise AG and its consolidated subsidiaries	
Employee development and advancement	– Training and education	Symrise AG and its consolidated subsidiaries	
Employer attractiveness	– Market presence – Employment	Symrise AG and its consolidated subsidiaries	
Efficient use of raw materials	– Materials	Symrise AG and its consolidated subsidiaries	
Using renewable raw materials	– Materials	Symrise AG and its consolidated subsidiaries	Suppliers (global)

102-48 ✓

Restatements of information

None

102-49 ✓

Changes in reporting

The analysis of our central topics is based on our “Sharing Values” approach. We analyze sustainability aspects and spheres of activity taking into account their social value and their value for Symrise, and this allows us to identify topics with the greatest potential to create shared value. In the process, we expanded our business activities in 2016, and identified sustainable forestry as well as sustainable agriculture & aquaculture as new spheres of activity. For the sake of effective management, we divided what was originally one topic, resource conservation and emission reduction, into two separate spheres of activity, and then singled out “water” as a stand-alone topic. In 2016, we were able to ascertain a higher social value for compliance, transparency and credibility as well as occupational health and safety. Biodiversity and human rights have once again gained in significance for creating value at Symrise. As to the topic of renewable raw materials, we were able to significantly increase our share of renewable raw materials thanks to our acquisition of Diana and Renessenz, allowing us to be now be able to approach this topic downstream.

102-50 ✓

Reporting period

January 1, 2016 – December 31, 2016

102-51 ✓

Date of most recent report

March 8, 2016

102-52 ✓

Reporting cycle

As of 2006 we have been reporting on our sustainability activities on an annual basis.

102-53 ✓

Contact point for questions regarding the report

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Sustainability Communications

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E-Mail: friedrich-wilhelm.micus(at)symrise.com

102-54 ✓

Claims of reporting in accordance with the GRI Standards

Our sustainability reporting conforms to the Global Reporting Initiative Standards (GRI) as it pertains to the current GRI Standards version from 2016. In doing so, we conform to the highest application level “in accordance – Comprehensive,” which means that we fully account for all the material topics.

102-55 ✓

GRI content index

This Sustainability Record reflects the content of the GRI index. In doing so, we conform to the Global Reporting Initiative (GRI) in its current version of the GRI Standards (2016).

102-56 ✓

External assurance

For the third time in a row, our sustainability information has been externally assured pursuant to the AA1000 Assurance Standard, which was performed by DQS CFS. The assurance process assesses all quantitative and qualitative sustainability information. Verified content has been marked as follows: ✓

GRI 200 – ECONOMIC

ECONOMIC PERFORMANCE

103-1, 103-2, 103-3 ✓

Management Approach

We substantially expanded our competencies in the past years and tapped into new growth fields. Now we must focus on connecting these new application areas with the traditional ones. That is why we are pushing interconnectedness across all levels – with our customers, suppliers and even within the company. We also managed to expand our market position in every region and have further built upon the extensive trust that customers have for us. Here, we always keep the twin ideals of sustainability and economic success in view. At the same time, we bolstered our portfolio, both in terms of content and regions, so that we can better react to the political and economic uncertainties in some countries. Last, but not least, we strengthened our innovative abilities via cooperation within the company and with external partners.

We combine commercial success with sustainability by constantly ensuring that every step in the value chain relates back to what we are doing. This starts with the raw materials. We source them from around the world and often from less developed nations. Take vanilla, for example. Here, we ensure that the farmers are paid a fair price for their goods and that environmental aspects are considered in the growing process. We also ensure that absolutely no child labor occurs. Over the past ten years, we have been committed to improving education and health care in Madagascar, where our vanilla is grown. We have established production facilities there that meet the environmental standards of the developed world. Our local business activity contributes to the livelihood of more than 30,000 people. Something similar is being developed in the Amazon region in Brazil. We established a site in the rainforest that researches new, sustainable raw materials for perfumes in close cooperation with Brazil's top cosmetics manufacturer Natura. At the same time, many families in the region are benefiting from our commitments there.

201-1 ✓

Direct economic value generated and distributed

A complete description can be found in the Financial Report 2016:

[Financial Report \(Overview of the 2016 fiscal year, page 5\)](#)

[Financial Report \(Notes, pages 62 seqq.\)](#)

201-2 ✓

Financial implications and other risks and opportunities due to climate change

We have established a Group-wide risk management system to identify the rewards and risks that are associated with our sustainability challenges. This covers sustainability-relevant issues as a subcategory of nearly all other risk categories – from environmental and industry risks via procurement and product risks to operating risks.

In the face of climate change, we feel obligated to create an increasingly efficient energy supply. This will continue minimizing risks associated with rising energy costs, reduce our CO₂ emissions and avoid any climate-related risk to our reputation, especially given increasing shareholder expectations.

Having already reached our year 2020 goal of reducing our CO₂ emissions relative to the value chain (Scope 1+2) by 33% in 2016, we are currently working on a new climate strategy that overlaps with the science-based targets that were the result of the UN Climate Summit in Paris in 2015.

We invested about € 30 million in a new, more efficient power plant at our headquarters in Holzminden in 2016. At all of our locations we are working to continuously improve our energy management system, and we are integrating our suppliers into our climate strategy. The truth is that changing environmental conditions and the concomitant fluctuations in the availability of raw materials have a direct impact on our supply chain and pose operational risks (quality of natural resources, supply bottlenecks) as well as a financial procurement risks (price increases and fluctuations).

Logically, we have taken these risks into account and addressed them in our procurement strategy. Symrise also set clear goals for 2020 to ensure its continued sustainable supply of high-quality natural raw materials. We want to have assessed all our primary suppliers of natural raw materials on ethical and ecological criteria by 2020. We have also decided to reduce CO₂ emissions significantly along our supply chain (Scope 3) by integrating our primary suppliers into our climate goals as of 2017 and by maintaining our own reduction measures as part of the CDP Supply Chain Program.

201-3 ✓

Defined benefit plan obligations and other retirement plans

For details see [Financial Report pages 43 et seqq. \(Remuneration Report\)](#) and [84 et seqq. \(Consolidated Financial Statements\)](#).

201-4 ✓

Financial assistance received from government

In total, Symrise received about € 7.8 million in subsidies primarily in France and Germany in 2016.

You can find the details about the setup of Symrise AG shareholders [here](#).

Omissions:

We consider the apportionment of subsidies by country to be confidential information.

MARKET PRESENCE

103-1, 103-2, 103-3 ✓

Management Approach

To be successful in our business, we need to be accepted by the respective local societies in which we operate. We earn this acceptance primarily by being a preferred employer for the local population. It is therefore important to us to offer local workers attractive career and advancement opportunities as well as fair and appropriate remuneration (see 202-1). Our materiality analysis, which was conducted during the year under review, has once again confirmed the relevance that we place on being an attractive employer.

202-1 ✓

Ratios of standard entry level wage by gender compared to local minimum wage

All of our employees receive wages that are higher than the minimum standard as stipulated by local law or statute.

The wages that an employee receives for his work at Symrise when initially employed are determined by our collective bargaining agreements if the employee is governed by the CBA while those workers not governed by the CBA receive wages based on our job grade concept. These wages are significantly above the statutory minimum.

Remuneration at all our locations – especially our starting wage – applies equally regardless of gender. This means that the starting wage for a woman is the same as for a man.

202-2 ✓

Proportion of senior management hired from the local community

The vast majority of our employees and managers including our senior management comes from the respective country where the Symrise location is operating. This means that we recruit employees who were educated in the respective country and have gained professional experience in the respective region.

Over 90 % of the management staff is from the local area. Respective national working conditions apply to this group.

We define senior management as our regional presidents as well as those managers with regional responsibilities who report to the regional presidents.

Our senior management works at the regional head offices. Germany is the regional head office for Europe. The United States is the regional head office for North America. Brazil is the regional head office for Latin America and Singapore is the regional head office for Asia.

INDIRECT ECONOMIC IMPACTS

103-1, 103-2, 103-3 ✓

Management Approach

We strive to dialogue with the communities and inhabitants at our company locations, to be a good neighbor and to make an effort to avoid the negative impacts surrounding our business activities. For example, at our company location in Holzminden, we let our neighbors know about topics of local interest and our social commitment by regularly publishing and distributing a local newsletter.

203-2 ✓

Significant indirect economic impacts

We know of no business activities that have any substantially negative economic impact on the local community. The positive impact we have ranges from creating jobs to stimulating development for the local value chain. We are not planning to document the positive impact we have around the world.

PROCUREMENT PRACTICES

103-1, 103-2, 103-3 ✓

Management Approach

Effective management of ecological and social effects along the entire supply chain is the key to securing high-quality raw materials, to providing sustainable products to our discerning customers as well as to ensuring ethical business practices. Our long-term goal is to source all our raw materials from sustainable and responsible sources and to do this in agreement with the sustainable development goals put forward by the UN. Given the high level of complexity resulting from the numerous material flows within our portfolio of raw materials, our operations face numerous challenges that have to be met in order to achieve our procurement goals. For example, these challenges include closing any information gaps regarding the origin of the raw materials as well as providing details relevant to the sustainability of producing and processing raw materials. This information is essential to being able to analyze performance in the area of sustainability.

By employing systematic supplier management and adhering to our sustainable sourcing policy, we ensure that suppliers are also maintaining our comprehensive standards on sustainability. This means that new suppliers must provide information about their sustainability program and the acceptance of ecological and social responsibilities along their supply chain. They also need to identify their ethics standards.

We require the safeguarding of general human rights, an undertaking not to make use of child labor or forced labor of any form, and compliance with statutory health and work safety requirements. Furthermore, we expect our suppliers to allow their employees the right to freedom of assembly and collective bargaining, to observe at least the statutory provisions on working times and pay, and to make a clear commitment against discrimination and abuse.

We also require our suppliers to conserve resources, to reduce and prevent atmospheric emissions, soil emissions or effluents, to be involved in the preservation and sustainable use of biodiversity and to effectively avoid environmental risks.

These standards constitute part of our Group-wide risk management system. As part of this, we carry out systematic risk and performance assessments of all suppliers on the basis of economic, ecological and social aspects.

We assess the sustainability performance criteria of raw materials and products by using a sustainability scorecard system developed specifically for this purpose. This scorecard system offers internal and external stakeholders better guidance when making decisions about improved sustainability. At the same time, we are working with multistakeholder initiatives, such as SEDEX and the Sustainable Agriculture Initiative, so that we are able to affect sustainability performance along the supply chain more directly. This also applies to our backward integration approach. With regard to important core competences, we have deliberately chosen locations for our international production facilities where the raw materials primarily used are available locally. We not only purchase our raw materials there but are also integrated in the local economy, produce there and create value there. This approach allows us to support local socioeconomic structures and maximizes our ability to monitor and improve compliance with our ethical and ecological principles.

204-1 ✓

Proportion of spending on local suppliers

During the reporting period, over 74 % of the goods and services at our sites were sourced from local suppliers. Symrise characterizes suppliers as local suppliers if they come from the same country. The European Union is viewed here as a single entity.

FP1 ✓

Suppliers that conform with procurement policy

In 2016, 86 % of our main suppliers – based on procurement volume – were rated according to sustainability criteria (SEDEX/SMETA 4 Pillar). We are not aware of any violations of our supplier code.

FP2 ✓

Percentage of products purchased according to sustainability standards

We are purchasing an increasing number of natural raw materials with certified origins. For instance, we established a progressive strategy for the sustainable sourcing of oils and derivatives from palm fruits in 2015. By the middle of 2016, we converted to using exclusively palm oil certified as 100 % RSPO “Mass Balance.” Between now and the end of 2018, we will be working with our strategic suppliers on implementing fully sustainable sourcing for our primary palm oil derivatives and on switching to materials made from 100 % RSPO “Mass Balance”-certified palm oil. We have the same goal in place for our sourcing of secondary palm oil derivatives by the end of 2020.

In 2015, 17.5 % of our raw materials were suitable for use in organic products. The share of fair-trade products is, however, comparatively low. Our customers have primarily requested certified products in regards to iconic ingredients like vanilla or lavender. In 2013, Symrise became the first fragrance company to purchase CENSO-certified lavandin oil.

ANTI-CORRUPTION

103-1, 103-2, 103-3 ✓

Management Approach

We do not tolerate any form of corruption in our company. This year our materiality analysis once again confirmed that this is an important topic both for Symrise as well as for our business partners and civic stakeholders. Accepting and providing money or other services in an attempt to gain a competitive advantage do not belong to our business practices. Bribery and money laundering are criminal offenses that we strongly condemn. Our principles for combating corruption are laid out in our Code of Conduct, which acts as a binding model for all employees. The principles apply for all countries regardless of possible conflicting cultural customs. It regulates behavior with key Symrise partners and ensures transparent and reliable processes. In the interest of all employees and the company, we react swiftly to violations against the Code and rectify their causes. To guard against any breach in legal and ethical standards, the Group Compliance office installed an Integrity Hotline in summer 2008. This ensures that Symrise employees can anonymously report any breaches in legal regulations and internal company guidelines at any Symrise locations around the world. With this hotline, employees are able to contact the Group Compliance office using toll-free telephone numbers that have been specially set up in individual countries. Of course, reports are treated confidentially, and whistle-blowers are not prosecuted. Misconduct is consistently prosecuted in accordance with the applicable national laws.

205-1 ✓**Operations assessed for risks related to corruption**

Symrise performs cyclical and ad hoc audits of all sites to identify any cases of corruption. No cases of corruption were identified in the year under review.

205-2 ✓**Communication and training about anti-corruption policies and procedures**

To ensure that all compliance requirements are consistently met, the need for training is regularly determined, and appropriate training courses are implemented. In addition to training courses where employees are present on site, internet-based training is also offered. This allows us to reach more employees in a shorter period. It also gives employees greater flexibility in terms of where and when they complete their training. Final tests ensure that the course material has been understood.

In addition to the requirements of their position, new Symrise employees are given comprehensive training on the fundamental principles of our Code of Conduct when they join the company. Our employees were regularly trained on workplace safety, health, environment, hygiene and compliance issues in 2016. Alongside this regular training, we invited about 1,250 employees to a training course on competition law issues in March 2016. In November 2016, another course was held on hazard recognition. About 2,500 employees participated. Finally, about 4,500 employees from Purchasing, Research & Development and Sales were trained on legal export-control issues in early December 2016.

In addition to the supplier questionnaire on the topic of corporate social responsibility, the suppliers for Symrise are also linked to our Code of Conduct, which prohibits corruption in all forms.

205-3 ✓**Confirmed incidents of corruption and actions taken**

There were no confirmed cases of corruption at Symrise in 2016.

ANTI-COMPETITIVE BEHAVIOR**103-1, 103-2, 103-3 ✓****Management Approach**

Transparency and credibility form the basis for a reliable and constructive relationship with all stakeholders. In accordance with our “Sharing Values” approach, we have once again ascertained that we’ve achieved a higher social value in this year’s materiality analysis when compared to the previous year. In order to ensure uniform and exemplary actions and conduct within the company, a Code of Conduct was devised in 2006 that applies as a binding guiding principle equally to all Symrise employees in Germany and other countries, i.e., to the Executive Board and the Supervisory Board, as well as to Group managerial staff and employees. This Code of Conduct was fundamentally revised in 2016 and adapted to the latest developments. The Code of Conduct defines minimum standards and sets out behavior enabling all employees to cooperate in meeting these standards. The purpose of the Code is to help all employees cope with the ethical and legal challenges of their everyday work and provide them with guidance in conflict situations. This includes guidelines and references on how to interpret and comply with anti-trust and competition laws. In the interest of all employees and the Group, noncompliance with standards will be investigated and their causes remedied. This means that misconduct will be consistently prosecuted in accordance with national laws.

Our Code of Conduct has been made permanently available on Symrise AG’s website.

206-1 ✓**Legal actions for anti-competitive behaviour, anti-trust and monopoly practices**

There were no cases relating to anti-competitive behavior at Symrise in 2016.

GRI 300 – ENVIRONMENTAL

MATERIALS

103-1, 103-2, 103-3 ✓

Management Approach

We focus our efforts on achieving more efficient use of raw materials. This topic is material because we value production that preserves as many resources as possible while being as cost efficient as possible and production that also serves as the basis for innovative and sustainable products both for us and for our customers. This encompasses, for example, the development of our own technological solutions, such as our patented SymTrap® process. This procedure allows us to fully extract flavor-active components from the sidestreams of raw material processing – thereby achieving a maximum resource yield that simultaneously saves energy. Enhanced efficiency not only has environmental implications, but it simultaneously cuts spending while also displaying our Synchronize™ initiative in action. We joined forces with customers to develop this integrated supply chain management system, which serves to identify areas of action and issues with the potential for reducing not just our consumption of energy, water and resources but also our emissions. Our approach: excellence in the supply chain.

301-1 ✓

Materials used by weight or volume

We use approximately 10,000 natural and synthetic raw materials from over 100 countries to manufacture our products. Our products consist mainly of value-adding preliminary products, meaning aromatic compounds and active components, in addition to carriers such as ethanol.

We are purchasing an increasing number of natural raw materials with certified origins. For instance, we established a progressive strategy for the sustainable sourcing of oils and derivatives from palm fruits in 2015. By the middle of 2016, we converted to using exclusively palm oil certified as 100% RSPO “Mass Balance.” We reached this objective in 2016 as well. Between now and the end of 2018, we will be working with our strategic suppliers on implementing fully sustainable sourcing for our primary palm oil derivatives and on switching to materials made from 100% RSPO “Mass Balance”-certified palm oil. We have the same goal in place for our sourcing of secondary palm oil derivatives by the end of 2020.

In 2016, over 2,000 of our raw materials were suitable for use in organic products. The share of fair-trade products is, however, comparatively low. Our customers have primarily requested certified products in regards to iconic ingredients like vanilla or lavender. In 2013, Symrise became the first fragrance company to purchase CENSO-certified lavandin oil.

Omissions:

Exact weight or volume disclosures on the materials we use are not published, as we consider this information confidential.

301-2 ✓

Recycled input materials used

We do not use a noteworthy amount of recycled materials in the manufacturing of our products.

Our relatively small process losses arise mainly from the extraction and distillation processes, which we reduce via recycling wherever technically possible and economically sensible. For example, we purify the solvents used in various production processes in order to reuse them multiple times.

301-3 ✓

Reclaimed products and their packaging materials

We have implemented several measures to reduce our waste volumes: One is the efficient use of recyclable packaging. Wherever possible, we deliver our products in large containers that we take back, clean and reuse. For small containers, we use disposable packaging for logistical reasons. Symotion GmbH, our logistics services subsidiary, optimizes this packaging continuously in respect of both the economic and ecological criteria as well as product and occupational safety aspects.

ENERGY**103-1, 103-2, 103-3 ✓****Management Approach**

In order to produce our products, both we and our suppliers require a sufficient supply of energy, which is of course connected with CO₂ emissions. In the face of climate change, we feel obligated to create an increasingly efficient energy supply. This will continue minimizing risks associated with rising energy costs, reduce our CO₂ emissions and avoid any climate-related risk to our reputation, especially given increasing shareholder expectations.

That's why we not only analyze our energy consumption and CO₂ emissions inside our organization, but we also analyze this along every link in the entire supply chain including in our own products.

All German sites have an ISO 50001 certified energy management system.

Again in 2016, we focused on decoupling our dynamic growth in various business units from their possible environmental impacts. We optimized our energy balance in key areas via additional measures and placed a stronger focus on reducing emissions as part of Total Productive Maintenance.

CO₂ emissions within our organization (Scope 1 and 2) act as an important control quantity in our company sustainability management.

We demonstrate our progress regarding resource conservation and emission reduction in a number of ways, one of them being our annual participation in the independent investor initiative CDP. In 2016, the investor initiative CDP awarded Symrise their highest rating, "A," for our climate reporting. This result makes Symrise a leader in the energy and materials sector in Germany, Austria and Switzerland as well as in the MDAX®. It also makes it one of the top 100 companies in the world that CDP includes on its Climate A List.

302-1 ✓**Energy consumption within the organization****OVERALL ENERGY CONSUMPTION BY ENERGY SOURCE IN 2016**

Type of energy	Amount in TJ
Steam	152
Gas	2,429
Fuel	744
Electricity in total	809
Share of nuclear	128
Share of renewables	105
Share of nonrenewables	572
Total	4,939

Figures not including Renaissance

302-2 ✓**Energy consumption outside of the organization**

Energy consumption outside of Symrise, mainly meaning significant up/downstream activities in connection with our business activities, is not considered in these figures for 2016. Instead, CO₂ emissions are considered authoritative for this because Symrise uses these as control quantities (see [305-3](#)).

302-3 ✓**Energy intensity**

The energy consumption per € million added value amounted to 2.91 TJ in 2016.

302-4 ✓**Reduction of energy consumption**

In 2016, we were able to reduce energy consumption per € million added value by 3.75 % over the previous year.

302-5 ✓**Reductions in energy requirements of products and services**

Innovation is a key driver of sustainability at Symrise. In 2012, we introduced a process for logging, assessing and managing our sustainability performance in product development. Using specific indicators based on the concept of planetary boundaries, we assess the contribution to sustainability of each and every product and project. The systematic application of our green chemistry approach is a central component for efficient processes and environmentally friendly products. We are constantly refining our existing products while also concentrating on process redesigns and complete overhauls incorporating green chemistry and innovative technologies. For instance, part of our integrated approach to environmental protection can be found in our new catalysis laboratory where we optimize existing chemical processes in a targeted manner using innovative catalysis methods.

In addition, we devised a new assessment system that enables us to identify each product's specific impact on sustainability, for example, in terms of energy consumption, CO₂ emissions or water usage. This way, we and our customers can steer product development with even greater precision and optimize the end product sustainably. Currently, we cover 85 % of our global product volume this way, which allows us to compare the respective sustainability impact for over 1,250 base materials and over 1,880 raw materials. Our analysis and measurement methods were validated by an external assurance process.

We are also continuously working in other areas on further optimizing our products' sustainability performance. For instance, a key focus for developing improved flavor solutions is optimizing existing agriculturally based products. At the same time, we are successfully working on integrating suitable byproducts from agricultural or food production, thereby increasing added value. Here, biotechnological approaches and new physical separation technologies are also being tested. Typical examples include already existing products made from onions, for which the entire process chain has been reevaluated: from the choice of onion type to the agricultural cultivation to processing and waste reduction. Here, Symrise is working in partnership with public research institutes and highly specialized partner companies. This radical approach opens up game-changing opportunities. For instance, it eliminates byproducts, improves raw material efficiency and significantly reduces the carbon footprint of our products.

WATER**103-1, 103-2, 103-3 ✓****Management Approach**

Over the coming decades, many regions on the planet will experience severe shortages of this essential resource. This is a topic we've analyzed as having a high social value for materiality. Firstly, the physical availability of water as it relates to our supply chain is important, and secondly, this topic is bound together with growing regulations and the significance of our company's reputation.

Symrise does not currently operate any sites that use a significant amount of water in areas with limited water. Still, we do everything in our power to use the precious resource of water as efficiently as possible and continuously reduce our production of wastewater. To ensure that we're able to identify and actively manage potential water risks early on, we also systematically assess our supply chain and maintain regular contact with our suppliers. Symrise's commitment in the area of water was rated by the CDP Water Program 2016 with their highest grade Leadership A-.

303-1 ✓**Water withdrawal by source****TOTAL WATER WITHDRAWAL 2016**

Source	Amount in 1,000 m ³
Surface water	839
Municipal water	1,347
Groundwater	2,381
Others	44
Total	4,612

303-2 ✓**Water sources significantly affected by withdrawal of water**

We know of no material impact on water quality or water availability resulting from water withdrawal or the disposal of wastewater at our production facilities.

303-3 ✓**Water recycled and reused**

The total volume of water recycled and reused by Symrise was very low in 2016.

BIODIVERSITY**103-1, 103-2, 103-3 ✓****Management Approach**

We view global diversity as an irreplaceable source of natural raw materials and an inspiration for new flavors, fragrances, and functional and active ingredients. Because we are dependent upon nature's productive energies, the preservation and sustainable use of biodiversity represent an existential interest to Symrise. At the same time, our core business can be potentially affected by any impact on biodiversity. Given this, we specifically focus on our suppliers' cultivation of sustainable soil and forestry, their gathering of wild plants and our own environmentally relevant emissions at all our production sites.

Our signature on the Business & Biodiversity Pledge from the UN Convention for Biodiversity means that we've committed ourselves to implementing an operational biodiversity management system that supports the core objectives of the UN Biodiversity Convention. This comes in addition to the biodiversity agenda we published in 2014.

Symrise's Corporate Sustainability department serves to guide the implementation of the requirements arising from the Business & Biodiversity Pledge and the Symrise Biodiversity Agenda in all our divisions. Our strategic NGO partners are also assisting in the implementation.

304-1 ✓**Operational sites owned, leased, managed in, or adjacent to protected areas**

Four of Symrise's sites are located in or adjacent to protected areas. This includes the development center in Cotia, Brazil, and our plant in Vohemar, Madagascar. The first borders directly on the Atlantic rainforest, Mata Atlântica. Due to its extraordinarily high biodiversity level, the area is considered one of the most important biodiversity hot spots in the world. This also applies to Madagascar, though the Symrise site in the Sava region is not located in a protected area. With the integration of Diana, two new sites were added in 2014 that are located near protected areas: Antrain in France (Diana Food) and Beresfield in Australia (Diana Pet Food).

304-2 ✓**Significant impacts of activities, products, and services on biodiversity**

We can have a direct negative impact on biodiversity only at our production locations, for example, through sealing the soil or emitting pollutants into the air and water. However, we consistently monitor, avoid and minimize emissions as part of our environmental and energy management.

Nonetheless, our core business's biggest risk of having material impact on biodiversity is an indirect one, mostly occurring in the supply chain – particularly through generating raw materials. This potentially includes instances where our suppliers deplete natural populations or employ methods of cultivation that are not sustainable for soil and forestry.

Owing to the complexity of the flow of biologically based material, Symrise is unable to monitor changes to biodiversity at a species level. As part of our sustainability management, we currently assess the degree of biodiversity and ecological stress factors in the countries where our raw materials originate. We also assess the degree to which those species that contribute to our strategic raw materials could be endangered.

We use our multidimensional sustainability scorecard system to assess any indirect biodiversity impacts at the raw material and product level, for example, land use or water consumption. This makes sustainability a measurable criteria for the decision-making processes of both internal and external stakeholders: internally, for example, in product development and externally, for example, in our customers' purchasing departments.

304-3 ✓

Habitats protected or restored

The most important lever of our company for protecting biodiversity and encouraging its sustainable use is environmental and ethically sustainable cultivation and sourcing practices. Wherever possible, we use our influence to support the sustainable cultivation of our biological raw materials. This is why we have implemented our strategic approach of backward integration. As part of our targeted intervention projects, for example, in the Amazon region or on Madagascar, we are committed to preserving biodiversity directly, for example, through reforestation projects or the implementation of sustainable methods of agricultural cultivation. Our performance in the area of sustainability has been externally verified, for example, by using recognized sustainability standards in a targeted manner and by receiving certifications that explicitly account for the preservation and sustainable use of biodiversity (e.g., the Rainforest Alliance or UEBT).

304-4 ✓

IUCN Red List species and national conservation list species with habitats in areas affected by operations

Due to our stable customer and product portfolios, there are still a few raw materials being used that are obtained from threatened species (according to the IUCN Red List and CITES definitions). Via corresponding sustainability verifications, strict use controls, efficient production processes and the development of suitable raw material alternatives, we concentrate on avoiding and minimizing any negative biodiversity impact, and we ensure a sustainable use of these species.

Symrise cannot directly monitor changes in species' populations within ecosystems that our suppliers deem relevant for generating raw materials.

EMISSIONS

103-1, 103-2, 103-3 ✓

Management Approach

The impact of our activities on the environment range from the extraction and processing of raw materials to product development, production and logistics. For this reason, we assess the entire value chain. Our goal is to conserve resources, to consistently avoid and to reduce harmful effects on the environment, to prevent risks and, in this manner, to ensure our long-term business success. Our production sites with the highest potential environmental impacts are either located in countries with strict environmental policies or operate according to an environmental management system that is ISO 14001 certified. Additionally, the SMETA 4-Pillar requirements are used as a minimum standard and regularly verified by external auditors. Furthermore, all German sites have an ISO 50001 certified energy management system.

Again in 2016, we focused on decoupling our dynamic growth in the corresponding business units from their possible environmental impacts. We further optimized our energy balance in key areas via additional measures and placed a stronger focus on reducing emissions and effluents as part of Total Productive Maintenance. By starting operations at our cogeneration power plant at the Holzminden site (€ 30 million investment costs), we made significant contributions in 2016 to improving our energy mix and reducing our CO₂ emissions (35 % reduction at Holzminden site).

We demonstrate our progress regarding resource conservation and emission reduction in a number of ways, one of them being our annual participation in the independent investor initiative CDP. Symrise AG successfully retained its position in the Climate A List of the 2016 CDP climate change reporting for the German-speaking region (Germany, Austria and Switzerland – known as the DACH region). This makes the company a leader in the energy and raw materials sector as well as in the German MDAX® stock index.

The Diana acquisition occurred in 2014 and the Pinova / Renaissance acquisition in 2016. Due to a lack of data, we are not able to present a transparent and comparative depiction of the reductions at Diana for the period 2010–2015 nor at Renaissance for 2010–2016. For this reason, we have aggregated the data from the corresponding year of acquisition. The annual reduction goals of 4 % relative to the value chain apply to Diana and Pinova / Renaissance starting in the year of acquisition.

305-1 ✓

Direct (Scope 1) GHG emissions

We have been systematically compiling our greenhouse gas emissions and reporting these according to direct emissions (Scope 1) and energy-indirect emissions (Scope 2) of the GHG Protocol since 2006. Direct CO₂ emissions are a central control quantity of our company sustainability management. By achieving a reduction of 35 % in direct emissions (Scope 1) and energy-indirect emissions (Scope 2) in 2016, we have already achieved our goal of reducing these by 33 % by 2020 (relative to the value created and with 2010 as the base year). Because of this success early on, we have decided to develop a new climate strategy in harmony with the 2° celsius goal established by the United Nations at the Paris Climate Summit. We will be taking a detailed position in the next sustainability report on this topic.

DIRECT EMISSIONS (SCOPE 1) 2016

Category	Amount (in t)
CO ₂ direct emissions (Scope 1)	194,358

305-2 ✓

Energy indirect (Scope 2) GHG emissions

ENERGY-INDIRECT EMISSIONS (SCOPE 2) 2016

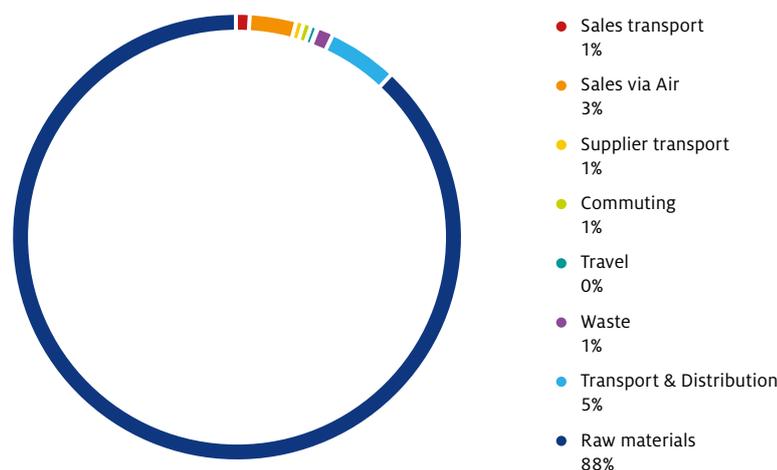
Category	Amount (in t)
CO ₂ energy-indirect emissions (Scope 2)	130,952

305-3 ✓

Other indirect (Scope 3) GHG emissions

Since 2011, we have also been recording our other indirect emissions according to Scope 3 of the GHG Protocol. The other indirect (Scope 3) CO₂ emissions totaled approximately 2,722,286 tons in 2016. We are currently evaluating all our material indirect (Scope 3) emissions. At roughly 88 %, upstream production of raw materials represents, by far, the largest share.

INDIRECT (SCOPE 3) EMISSIONS 2016



305-4 ✓**GHG emissions intensity**

The intensity of direct and energy-indirect greenhouse gas (Scopes 1 and 2) emissions per € million value added came to 230.05 tons (including Diana, not including Renessenz) in 2016.

305-5 ✓**Reduction of GHG emissions**

We reduced direct and energy-indirect greenhouse gas (Scopes 1 and 2) emissions (not including Renessenz) per € million value added (including Diana) in 2016 by 5.4% over the previous year. The annual reduction goals of 4% relative to the value added apply to Diana and Pinova / Renessenz starting in the year of acquisition.

305-6 ✓**Emissions of ozone-depleting substances (ODS)**

In 2013, we analyzed our product portfolio and production processes for the use and development of ozone-depleting substances (ODS). The analysis showed that we do not produce any material ODS emissions.

305-7 ✓**Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions**

Carbon dioxide accounts for the majority of our emissions. Other greenhouse gases, such as nitrogen oxide, sulfur oxide, ammonium, methane and volatile organic compounds (VOCs), are emitted only in limited, immaterial quantities from the production of our products.

VOCs < 500 t/year

CH₄ approx. 31.8 t/year

N₂O approx. 1.8 t/year

EFFLUENTS AND WASTE**103-1, 103-2, 103-3 ✓****Management Approach**

The impact of our activities on the environment range from the extraction and processing of raw materials to product development, production and logistics. For this reason, we assess the entire value chain. Our goal is to conserve resources, to consistently avoid and to reduce harmful effects on the environment, to prevent risks and, in this manner, to ensure our long-term business success. Our production sites with the highest potential environmental impacts are either located in countries with strict environmental policies or operate according to an environmental management system that is ISO 14001 certified. Additionally, the SMETA 4-Pillar requirements are used as a minimum standard and regularly verified by external auditors.

The Diana acquisition occurred in 2014 and the Pinova / Renessenz acquisition in 2016. Due to a lack of data, we are not able to present a transparent and comparative depiction of the reductions at Diana for the period 2010–2015 nor at Renessenz for 2010–2016. For this reason, we have aggregated the data from the corresponding year of acquisition. The annual reduction goals of 4% relative to the value added for sensitive waste and COD apply to Diana and Pinova / Renessenz starting in the year of acquisition.

At the end of 2016, we joined the CDP Supply Chain Management Initiative so that we could better assess the environmental influence of our key suppliers and further positively affect these. Moreover, we have been evaluating the environmental impact of our suppliers via SEDEX since 2006. With the help of globally accredited assessment tools, we identify high-risk suppliers and take actions, which can include terminating the business relationship.

In 2016, a sustainable sourcing policy that applied across the three segments Flavor, Nutrition and Scent & Care segments was published. This represents the foundation of our procurement policy.

306-1 ✓**Water discharge by quality and destination**

Preliminary cleansing of our wastewater takes place at the production facilities. Generally we strive to keep emissions in the water as low as possible, and we check the composition of the wastewater at the relevant sites (> 90% of the wastewater volume) at regular intervals, which provides us with the chemical oxygen demand (COD) figure. In 2016 this was 4,426 tons.

TOTAL WASTEWATER VOLUME FOR 2016 BY DESTINATION

Wastewater by destination	Amount in 1,000 m ³
Removal by truck	49
Specified disposal point	2,374
Undefined disposal	379
Total	2,802

306-2 ✓**Waste by type and disposal method**

Our waste management consists of waste avoidance, the reduction of waste volume, incineration of waste to generate energy, the reuse of waste, and recycling. The creation of sensitive waste serves as an important control quantity in our company sustainability management. We reached our goal of reducing sensitive waste by 33% by 2020 (relative to the value added and with 2010 as the base year) early, in 2016.

TOTAL WASTE VOLUME IN 2016: HAZARDOUS AND NONHAZARDOUS WASTE

Type	Amount (in t)
Hazardous waste	14,708
Nonhazardous waste	38,444

TOTAL WASTE VOLUME BY DISPOSAL METHOD

Disposal Method	Amount (in t)
Composting	482
Incineration	14,081
Recycling	5,426
Chemical-physical treatment	2,389
Wastewater processing	3,913
Biogas plant	3,347
Landfill	18,214
Other waste processing	5,299
Total	53,152

306-3 ✓

Significant spills

Chemicals, oils or solid waste was not released into the environment in material quantities during the reporting period.

306-4 ✓

Transport of hazardous waste

The share of internationally transported hazardous waste was immaterial for the reporting period. A more detailed assessment is not required for the management of our processes.

306-5 ✓

Water bodies affected by water discharges and/or runoff

We are unaware of any material impact on the ecological condition of the water ecosystem caused by Symrise or restrictions in water resource availability at any Symrise location.

ENVIRONMENTAL COMPLIANCE

103-1, 103-2, 103-3 ✓

Management Approach

The impact of our activities on the environment range from the extraction and processing of raw materials to product development, production and logistics. For this reason, we assess the entire value chain. Our goal is to conserve resources, to consistently avoid and to reduce harmful effects on the environment, to prevent risks and, in this manner, to ensure our long-term business success. Our production sites with the highest potential environmental impacts are either located in countries with strict environmental policies or operate according to an environmental management system that is ISO 14001 certified. Additionally, the SMETA 4-Pillar requirements are used as a minimum standard and regularly verified by external auditors.

In the annual reviews of the Integrated Management System, all breaches of applicable laws are summarized for upper management. Appropriate measures are introduced in order to avoid any reoccurrence.

307-1 ✓

Non-compliance with environmental laws and regulations

Symrise was not charged any significant fines or non-monetary penalties for failure to adhere to environmental laws and regulations in the year under review.

SUPPLIER ENVIRONMENTAL ASSESSMENT

103-1, 103-2, 103-3 ✓

Management Approach

Our long-term objective is to source all our raw materials in a manner that is as sustainable as possible. We do not simply seek to reduce negative environmental or human rights impacts in our supply chain but rather to create real value for all participants. We at Symrise view sustainable procurement as a prerequisite for the company's long-term commercial viability: Our usage of 10,000 natural and synthetic raw materials from over 100 countries makes us heavily reliant on the availability of these raw materials, their quality and price stability. We confront this through close cooperation with our customers and suppliers and through the advancement of social and ecological standards in developing countries and emerging markets.

Our systematic integrated management ensures that suppliers adhere to our standards: This means that all new suppliers must provide information on the topics of quality, environment and product safety as well as on their own sustainability program, and with a signed document they obligate themselves to maintaining our responsibility standards for sustainability.

308-1 ✓

New suppliers that were screened using environmental criteria

All new suppliers must provide information on environmental aspects and their sustainability program and obligate themselves to adhering to our CSR guidelines. 86 % of our main suppliers – based on procurement volume – have already been rated according to sustainability criteria (SEDEX / SMETA 4 Pillar).

308-2 ✓

Negative environmental impacts in the supply chain and actions taken

The international platform of the Supplier Ethical Data Exchange (SEDEX) is a valuable tool with which we can more easily assess suppliers and deliver our own data to customers. We have been publishing information on environmental aspects and other topics on this platform since 2006. Every Symrise production site has now been SEDEX registered.

Since 2012, we've been encouraging our 250 most important suppliers to register with SEDEX and disclose their data there. In total, 86 % of our main suppliers – based on procurement volume – have been rated according to sustainability criteria (SEDEX / SMETA 4 Pillar).

We carry out audits for suppliers that pose an especially notable risk, that have crucial raw materials or that have had problems flagged in the assessment. The focus here is on environmental issues in addition to product safety, quality management, work safety, health and social responsibility. If suppliers don't meet our defined standards, we jointly develop and implement improvement measures. If these standards are still not upheld after such attempts, the business relationship is terminated as a last resort. All new suppliers fill out a supplier survey that contains questions on environmental issues. During the risk assessment process, we rely on environmental criteria to evaluate existing suppliers as well as the socioeconomic and ecological situation in their respective countries. In 2016, there were no cases of our suppliers causing any notable negative environmental impact.

GRI 400 – SOCIAL

EMPLOYMENT

103-1, 103-2, 103-3 ✓

Management Approach

Symrise's strategic HR policy has been to be an employer of choice since 2012. In the course of this process, we have focused our HR policy on five main areas:

1. Establishing a flexible and innovative work environment
2. Creating a transparent, fair and motivating remuneration policy
3. Offering attractive benefits such as a company retirement plan and a health management program
4. Furthering professional advancement and development and building our talent management program
5. Creating a company culture and leadership culture that will increase employee loyalty

This HR policy strives to create an environment for our employees where they can experience positive continuing professional development. Beyond that, the goals we've taken on extend from ensuring a safe and healthy work environment to sustaining a fair and equitable remuneration policy. Like other companies, we also have to tackle the task of positioning ourselves as an appealing company in regard to demographic changes. We owe our success to the extraordinary dedication of our workforce of more than 9,000 employees in over 20 nations. To sustain this success well into the future, we offer our employees a host of employment benefits and opportunities. We would like to be an employer of choice for them and are striving for employee commitment to our company lasting into the year 2020 that matches the commitment level we witnessed in our employee engagement surveys from 2012 and 2016. Regularly conducting an employee engagement survey proves that our employees participate deeply in the company and that the company is truly committed to being an employer of choice.

401-1 ✓

New employee hires and employee turnover

Symrise acquired Pinova Holdings with approximately 450 employees in January 2016. Through the disposal of its industrial activities, approximately 240 employees left the company during this year. The number of employees for the 2016 fiscal year reflect these changes. Given that the employment contracts were transferred to the acquirer during the disposal of the industrial activities, we do not include this occurrence when calculating turnover initiated by employees (see the following table).

EMPLOYEE TURNOVER BY REGION AND GENDER*

	2014	2015	2016 Absolute	2016
REGION				
Germany	1.2%	1.1%	30	1.1%
EAME (not including Germany)	5.1%	4.8%	53	3.1%
North America	8.2%	6.7%	85	7.4%
Asia/Pacific	8.9%	9.0%	124	8.8%
Latin America	4.8%	7.6%	129	7.4%
Total	4.8%	5.1%	421	4.8%
GERMANY BY GENDER				
Women	0.5%	0.3%	10	0.4%
Men	0.7%	0.8%	20	0.7%
Total	1.2%	1.1%	30	1.1%
WORLDWIDE BY GENDER				
Women	1.9%	2.1%	198	2.3%
Men	2.9%	3.0%	223	2.5%
Total	4.8%	5.1%	421	4.8%

* Basis: Core workforce and fixed-term employees, without apprentices; figures as of December 31 of the respective year; turnover rate = number of employee-initiated terminations x 100 divided by the annual average number of employees

Omissions:

Regarding employee turnover, we see neither gender- nor age-specific trends. The age groups affected by turnover correspond to the overall structure of our workforce. A detailed breakdown of the turnover rate by age therefore does not make sense for Symrise.

Age and gender are not deciding factors when hiring new employees. Disclosures on newly recruited employees by region, gender and age are correspondingly not material for Symrise and are not listed.

OCCUPATIONAL HEALTH AND SAFETY

103-1, 103-2, 103-3 ✓

Management Approach

The consistent emphasis of our HR policy on being an employer of choice also includes caring for employee health at the workplace. We have established a comprehensive system of measures at all our sites whose written behavioral guidelines offer assistance in identifying possible hazards. The guidelines also regulate how we handle hazardous substances. A complete list of all chemicals used at a particular site, including their corresponding safety data sheets, is provided at each site in the local language. Each production site has its own occupational health and safety committee, comprising employees from management as well as other levels. All employees undergo health and safety training courses designed specifically for their given activities. The appropriate first-aid facilities are available in the event of an emergency.

The effectiveness of our measures is regularly evaluated by internal audits based on ISO 19011. Regular external audits by customers, authorities and independent certification companies further verify the constant improvement of our management systems.

Our preventative health measures demonstrate our comprehensive approach to helping employees lead healthier lifestyles. We offer training and continuing education programs just as we promote diversity among the workforce and help employees balance their professional and private life. Information about healthy nutrition and healthy sleep patterns, which are especially relevant to shift workers, round out the preventative measures featured at our production facilities.

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at every site.

403-1 ✓

Workers representation in formal joint management-worker health and safety communities

All employees (100 %) are entitled to a workplace where they do not have to worry about their health and safety. A large number of programs and measures are held globally every year to help ensure safety at work. Because local situations and needs vary, the specific measures to be implemented at the individual sites are guided by on-site systems and working groups.

Health & safety committees can be found at all our sites where we have production facilities. The committees meet regularly and share ideas about work safety measures and about how to prevent accidents at work. The heads of the production facilities are members of these bodies. Minutes from the meetings are regularly distributed to management.

Our subsidiary TESIUM bundles our competence in the areas of technology, safety and the environment. It ensures that the highest environmental standards are fulfilled in all business divisions. Regular training courses in occupational safety are compulsory at Symrise across the Group (see also Management Approach).

403-2 ✓**TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, ABSENTEEISM AND NUMBER OF WORK-RELATED FATALITIES**

	Number of Accidents (MAQ)*	Accident Severity (USQ)*
2014	4.8	112
2015	3.9	49
2016	3.8	50

* Basis: Employees worldwide

MAQ = Accidents subject to reporting requirements (>1 work day) x 1,000,000/working hours

USQ = Sick days x 1,000,000/working hours

The accidents and their causes are regularly evaluated and reported to upper management.

The rate of illness-related absenteeism was 5.27 % in 2016 for Symrise AG. This is below the industrial average of 5.56 % for the chemical industry (according to BKK Dachverband / Wirtschaftsgruppe Chemie).

Occupational diseases therefore are not reported separately.

403-3 ✓**Workers with high incidence or high risk of diseases related to their occupation**

High rates of illness or danger thereof are not known to us. Illness-related absenteeism and its duration remain below the industrial average for the chemical industry, specifically in Germany, and correspond to the average absenteeism in the general public.

403-4 ✓**Health and safety topics covered in formal agreements with trade unions**

Issues of health and occupational safety are regulated by the Code of Conduct and our Corporate Guidelines at Symrise. These apply around the globe.

In addition, the collective bargaining agreement, which was negotiated with the union for the chemical industry and which applies to Symrise in Germany, contains regulations on workplace design and occupational health and safety. In addition, the CBA also governs the cooperation between company management, works council and the union on matters pertaining to protecting the health of our employees (Section 17 of the industry-wide collective agreement).

This agreement applies to about 2,600 Symrise workers in Germany.

We had two “health weeks” in 2016, when employees were offered information on issues such as nutrition and healthy eating, healthy sleep patterns for shift workers and preventative health measures in the workplace. With these promotional days, we support our aging workforce in caring for their health throughout their remaining career. With a “Risk Analysis on Psychological Stresses,” we are specifically analyzing which health risks exist at our various workplaces. The goal is to ergonomically design our workplaces in such a way that employees can reach retirement age.

TRAINING AND EDUCATION**103-1, 103-2, 103-3 ✓****Management Approach**

As an employer of choice, we are aware that our employees expect an HR policy from us that enables them to keep their professional expertise up to date, to incorporate their knowledge into their work and to advance their career at Symrise.

This includes supporting our employees with lifelong learning. At all company levels worldwide, we have a training concept that develops and fosters our employees’ professional expertise. In addition, we also offer targeted communications and management training sessions that have been especially designed for specific target groups, for example, managers in production or midlevel managers.

Our performance review and talent management processes provide a structured platform for giving feedback to and developing our employees and as such they are an important HR development tool for our managers.

Our career development and succession planning process allow us to combine personal career development with the company's organizational development. In doing so we can identify new prospects for our employees.

Today we are recruiting the next generation of top-level managers almost exclusively from our own ranks. Our guidelines allow for 80% internal recruitment while 20% is to be from outside the company.

404-1 ✓

Average hours of training per year per employee

At Symrise, we spend about € 3 million annually on training and personnel development around the world.

In 2016, about 350 training sessions were organized, of which 160 were internal and 190 external training sessions. A total of about 1,500 employees participated in these sessions.

Worldwide, total training amounted to about 48,450 hours. Women participated in approximately 18,400 of the training hours. The training content included practical workshops specifically on sustainability for managers, who then convey to their teams the knowledge they gained.

We have also intensified investments in the training of future specialists. We accepted 46 young people for initial apprenticeship training and also trained unemployed individuals from outside the field as chemical production specialists in a joint initiative with the local job center. This apprenticeship training lasts about two years. In June 2016, 16 people completed the apprenticeship, while another 15 are still being trained and will complete the program in 2017. Furthermore, we offer English courses for our production employees to help familiarize them with international work instructions on production processes. As of December 31, 2016, a total of 147 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 5.5%.

404-2 ✓

Programs for upgrading employee skills and transition assistance programs

Symrise follows a strong implementation-oriented approach to personnel development that combines organizational development and individual career development. For key positions that are especially relevant to business performance, we systematically identify and develop potential successors.

Our training activities are pooled under the Symrise Academy, which consists of four strategic pillars:

- The flavorist and perfumer school
- Technical/specialist training for our employees
- Training for sales personnel
- Development for managers

Our flavorist and perfumer school has enjoyed great success around the world. Every year, young employees complete their apprenticeship training as junior flavorists or perfumers. In November 2016, five graduates of the perfumer school passed their final exams. In addition, we offer a wide variety of training opportunities to our semiskilled employees in production. They can be trained to become flavor specialists, process chemical technicians, chemical production specialists and inventory specialists. Another core component of our educational landscape is the qualification of sales personnel, for example, through high-performance sales training.

Our Future Generation Leadership Program provides our next generation of managers with tailor-made training opportunities. In total, 50 talented individuals were trained for key management positions on the basis of an individual potential analysis. For approximately 20 operative managers in the production and team leader units, we started the special program Management Practices. Here, management issues that occur in a normal work routine are dealt with.

We also employ methods such as coaching and mentoring as professional development tools. Mentors are in a unique position to pass on their valuable experience to their mostly younger mentees. Furthermore, suitable managers from various divisions are trained as coaches so they can act as sounding boards for employees who are taking on career challenges. Furthermore, we also want to develop the personal competencies of our employees in the sense of lifelong learning. That's why we offer a diverse continuing educational program that ranges from safety training and language courses to project management and IT classes. In doing so, we link our information and training program with our in-house health management.

We assist employees who are leaving the company during their adjustment phase. This is dependent on their reasons for leaving the company. If an employee is leaving because they have reached retirement age, then they receive the standard local statutory pension, which company support increases. If the employee's position has been terminated due to operational reasons, then as compensation for the job loss, Symrise guarantees a severance package that conforms to local statutory and company standards.

If the employee leaves the company for personal or performance reasons, then Symrise assists this employee on a case-by-case basis by offering assistance adjusting to the job market and identifying new job opportunities.

404-3 ✓

Percentage of employees receiving regular performance and career development reviews

The individual training needs of every employee are discussed as part of their annual performance review. Here, managers evaluate existing competencies and performance, set goals and determine suitable personnel development measures in cooperation with their individual employees.

Particularly for technically oriented areas like product development, quality control and research, we have defined career paths with specific requirements for the respective role and jointly discussed qualification measures with employees. A similar project is running at the moment for our sales and marketing employees.

Our performance and talent management software platform, which we rolled out worldwide, supports supervisors and employees in efficiently designing their career path.

In this respect, a breakdown according to gender is not necessary, seeing as all Symrise employees (100 %) take part in annual performance reviews with their supervisors. This performance review also serves as a forum to discuss each employee's professional development.

DIVERSITY AND EQUAL OPPORTUNITY

103-1, 103-2, 103-3 ✓

Management Approach

Having a responsible HR policy is part of our company culture. It conveys objectives and creates common values. It also includes providing options for further qualification and training for our employees, promoting diversity among the workforce or enhancing the compatibility of professional and private life (see also 405-1).

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at all sites.

405-1 ✓

Diversity of governance bodies and employees

Symrise consciously embraces an HR policy that views diversity in the workplace as a benefit to creativity and integrity. This is why we have committed ourselves to several Group-wide projects that promote diversity. This means that we're seeking to have 40 % female participants in our Future Generation Leadership Development Program. Our objective is to qualify women for management positions. By mid-2017, we aim to have 16 % women at the first global management level directly below the Executive Board, while the second global management level should consist of 22 % women.

Symrise AG has committed itself to ensuring that women compose 20 % of the Executive Board by the year 2020.

Our annual diversity reporting, which takes into account about 80 % of our staff and thus all our large sites, documents how well our diversity policies in HR are progressing.

According to the latest diversity report, women make up 38 % of our workforce today. When it comes to new hires from outside the company, women are well represented with 41 % of total new hires.

Gender diversity is also evident in our internal promotions. Across all company levels, the proportion of women in management positions comes to approximately 44 % worldwide. If we focus specifically on promotions and therefore consider the future management potential of women, we see that women are well represented at 48 %. This gives us confidence that we will be able to reach the goals we have set for the medium term.

In our efforts to promote international diversity, we always strive to have internationally mixed teams when developing our managers.

When it comes to international diversity, we can report that our executive body has been expanded with our French colleague, Jean-Yves Parisot, who represents the Diana Group on the Executive Board.

Even though Symrise remains a German company, we recognize the increasing importance of international diversity. After our percentage of approximately 29 % German employees, our French employees at 16 % make up the second largest employee group. The percentage of American employees is 14 %. We have seen a marked increase in the share of our Spanish-speaking employees from Latin America, primarily Mexico and Ecuador. This population now makes up 11 % of our workforce. Our Brazilian employees represent 7 % of our workforce.

GLOBAL SHARE OF WOMEN IN MANAGEMENT POSITIONS AT SYMRISE

	2015	Share	2016	Share
Share of women in total workforce worldwide	3,291	38.9 %	3,426	38.3 %
Share of women in upper management worldwide	15	19.3 %	16	21.0 %

Basis: Fixed-term and permanent employees not including apprentices as of December 31 of the respective year.

Definition of upper management: all employees worldwide who are employed in the first three management levels, including the Executive Board.

EMPLOYEE CATEGORIES ACCORDING TO GENDER IN GERMANY

	2014	Share	2015	Share	2016	Share
Manager						
Men	290	76.1%	290	76.3%	299	73.6%
Women	91	23.9%	90	23.7%	107	26.4%
Total	381	100.0%	380	100.0%	406	100.0%
Non-manager						
Men	1,443	65.1%	1,483	64.9%	1,515	65.3%
Women	775	34.9%	802	35.1%	805	34.7%
Total	2,218	100.0%	2,285	100.0%	2,320	100.0%
Total workforce						
Men	1,733	66.7%	1,773	66.5%	1,814	66.5%
Women	866	33.3%	892	33.5%	912	33.5%
Total	2,599	100.0%	2,665	100.0%	2,726	100.0%

Definition: Managers, including junior managers, defined as non-tariff employees or managerial employees.
Basis: Employee figures, not including apprentices and temporary workers, as of December 31 of the respective year.

EMPLOYEE CATEGORIES ACCORDING TO AGE IN GERMANY

Age	2014		2015		2016	
	Manager	Non-manager	Manager	Non-manager	Manager	Non-manager
20 –29	0.0%	14.7%	0.0%	16.1%	0.2%	16.0%
30 –39	13.1%	21.0%	11.1%	20.5%	13.8%	21.1%
40–49	40.4%	32.1%	41.3%	29.9%	33.5%	27.5%
50–59	38.6%	27.2%	39.7%	27.7%	42.6%	28.8%
>= 60	7.9%	5.0%	7.9%	5.7%	9.9%	6.6%
Gesamt	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Definition: Managers, including junior managers, defined as non-tariff employees or managerial employees; as of December 31 of the respective year.

COMPOSITION OF THE EXECUTIVE AND SUPERVISORY BOARDS ACCORDING TO GENDER

	Executive Board	Share	Supervisory Board	Share
Men	5	100%	8	67%
Women	0	0%	4	33%
Total	5	100%	12	100%

As of December 31, 2016

COMPOSITION OF THE EXECUTIVE AND SUPERVISORY BOARDS ACCORDING TO AGE

	Executive Board	Share	Supervisory Board	Share
30 or younger	0	0%	0	0%
30 – 50 years	0	0%	1	8%
50 and older	5	100%	11	92%
Total	5	100%	12	100%

As of December 31, 2016

405-2 ✓**Ratio of basic salary and remuneration of women to men**

Equal pay for both men and women is a matter of course for us. In many countries, wage agreements govern remuneration. By using pay categories, we ensure that gender-specific differences for equal work are ruled out. For those employees not covered by wage agreements, our job grade model ensures transparency and fairness of remuneration.

Omissions:

There are no known cases of gender-specific discrimination that would warrant further analysis of the basic salary. Specifically, the high proportion of part-time employees must always be taken into account.

NONDISCRIMINATION**103-1, 103-2, 103-3 ✓****Management Approach**

Having a responsible HR policy is part of our company culture. It conveys objectives and creates common values. It also includes providing options for further qualification and training for our employees, promoting diversity among the workforce and enhancing the compatibility of professional and private life.

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at every site.

406-1 ✓**Incidents of discrimination and corrective actions taken**

Discrimination against individuals on the basis of their personal characteristics is not tolerated at Symrise. No cases of discrimination were reported in the year under review.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**103-1, 103-2, 103-3 ✓****Management Approach**

Symrise consistently adheres to all local labor laws. In addition, Symrise places great importance on having a company culture where the employees actively contribute to what happens at the company. This includes the formation of works councils and unions. At those locations where there is no collective agreement due to legal regulations or memberships, we look to the predominant working conditions that are standard in the industry.

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at all sites.

407-1 ✓

Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

The abuse of employee rights is not tolerated in any form at Symrise. We attach great importance to participation by employee representatives in the spirit of partnership. This includes the formation of works councils. A clear commitment to freedom of association and the right to membership in a labor union are a matter of course for us. Globally, 65 % of our workforce is covered by collective bargaining agreements, and about 86 % of the workforce in Germany is covered by a wage agreement. There were no strikes in the company in 2016.

Furthermore, we expect our suppliers to allow their employees the right to freedom of assembly and collective bargaining, to observe at least the statutory provisions on working times and pay, and to make a clear commitment against discrimination and abuse.

There were no Symrise locations where the right to freedom of association and collective bargaining was violated or put at risk in the year under review. To our knowledge, we can say the same for our suppliers.

CHILD LABOR

103-1, 103-2, 103-3 ✓

Management Approach

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at every site. Violations of children's rights are not tolerated. We also require our suppliers to uphold basic human rights and to avoid all forms of child labor.

Once again in 2016, compliance with these criteria from DQS was externally verified at defined Symrise sites according to a Symrise audit plan.

In addition, several customers had independent certification organizations audit selected Symrise locations according to their own standards for social aspects.

408-1 ✓

Operations and suppliers at significant risk for incidents of child labor

There were no operations or suppliers with a significant risk of child labor in the year under review.

FORCED OR COMPULSORY LABOR

103-1, 103-2, 103-3 ✓

Management Approach

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at every site. Forced or compulsory labor is illegal and not tolerated in any form at Symrise. We also require our suppliers to uphold basic human rights and to avoid all forms of forced or compulsory labor.

Once again in 2016, compliance with these criteria from DQS was externally verified at defined Symrise sites according to an audit plan.

In addition, several customers had independent certification organizations audit selected Symrise locations according to their own standards for social aspects.

409-1 ✓**Operations and suppliers at significant risk for incidents of forced or compulsory labor**

There were no operations or suppliers with a significant risk of forced or compulsory labor in the year under review.

RIGHTS OF INDIGENOUS PEOPLES**103-1, 103-2, 103-3 ✓****Management Approach**

Given that we rely on access to local genetic resources, which we depend on for developing innovative and natural products, the rights of indigenous peoples are a material topic for us. This is why we work in strict compliance with the Nagoya Protocol of the United Nations, which regulates the use of genetic resources by international companies and prescribes benefit-sharing for local communities.

411-1 ✓**Incidents of violations involving rights of indigenous peoples**

No cases have been reported in the year under review.

HUMAN RIGHTS ASSESSMENT**103-1, 103-2, 103-3 ✓****Management Approach**

Symrise has committed itself to safeguarding human rights – for our own employees as well as those of our external partners. By signing the United Nations Global Compact, we officially announced our active support for the protection of international human rights.

Upholding human rights for our employees is our top priority. Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard, which is binding throughout the company. This standard is based on the conventions of the International Labor Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on the Rights of the Child. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation of how we act at every site. The abuse of employees' rights or work safety provisions is illegal and is not tolerated in any form at Symrise. We attach great importance to participation by employee representatives in the spirit of partnership. A clear commitment to freedom of association and the right to membership in a labor union are a matter of course for us. Around the world, the overwhelming majority of our employees are covered by collective bargaining agreements. Independent auditing companies regularly confirm compliance with these regulations on social responsibility.

412-1 ✓**Operations that have been subject to human rights reviews or impact assessments**

More than 90% of our sites worldwide are evaluated on human rights criteria.

412-2 ✓**Employee training on human rights policies or procedures**

To ensure that all compliance requirements are consistently met, the need for training is regularly determined, and appropriate training courses are implemented. In addition to training courses where employees are present on site, internet-based training is also offered. This allows us to reach more employees in a shorter period. It also gives employees greater flexibility in terms of where and when they complete their training. Final tests ensure that the course material has been understood.

In addition to the requirements of their position, new Symrise employees are given comprehensive training on the fundamental principles of our Code of Conduct when they join the company. Our employees were regularly trained on workplace safety, health, environment, hygiene and compliance issues in 2016. Alongside this regular training, we invited about 1,250 employees to a training course on competition law issues in March 2016. In November 2016, another course was held on hazard recognition. About 2,500 employees participated. Finally, about 4,500 employees from Purchasing, Research & Development and Sales were trained on legal export-control issues in early December 2016.

412-3 ✓**Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening**

All investment agreements and contracts include clauses on human rights. We make it very clear in our investment agreements and contracts that safety and administrative guidelines as well as rules regarding hygiene are to be complied with. Furthermore, we also refer to the guidelines for minimum wage, which also apply to subcontractors. Naturally, our Code of Conduct, which lays out our principles for compliance with human rights, also applies to all transactions with business partners, including service providers and our raw material suppliers.

LOCAL COMMUNITIES**103-1, 103-2, 103-3 ✓****Management Approach**

Given the nature of the industry, the topic of facility safety at Symrise is of vital importance, especially in the local communities where our sites are located. Because local situations and needs vary, the specific measures to be implemented at the individual sites are guided by on-site systems and working groups. Our subsidiary TESIUM bundles our competence concerning the safety of our systems, thereby ensuring the protection of staff, environment and host communities. Alongside conventional safety-related issues, TESIUM also considers environmental and energy aspects across the entire life cycle of the systems. An important tool for this is Total Productive Maintenance (TPM). It forms a basis for cross-hierarchy teams of Symrise employees to develop new solutions and proposals.

413-2 ✓**Operations with significant actual and potential negative impacts on local communities**

We know of no business activities that have any substantially negative impacts on the local community.

SUPPLIER SOCIAL ASSESSMENT**103-1, 103-2, 103-3 ✓****Management Approach**

Symrise has committed itself to safeguarding human rights – for our own employees as well as those of our external partners. By signing the United Nations Global Compact, we officially announced our active support for the protection of international human rights. Our systematic management ensures that suppliers adhere to our standards: This means that new suppliers must provide information about their sustainability program, the acceptance of social responsibilities along their supply chain, and they also need to include their ethical standards. We require the safeguarding of general human rights, an undertaking not to make use of child labor or forced labor of any form, and compliance with statutory health and safety at work requirements. Furthermore, we expect our suppliers to allow their employees the right to freedom of assembly and collective bargaining, to observe at least the statutory provisions on working times and pay, and to make a clear commitment against discrimination and abuse. These standards constitute part of our Group-wide risk management system. As part of this, we carry out systematic risk and performance assessments of all suppliers on the basis of economic, ecological and social aspects.

To increase supply security regarding key raw materials, Symrise has for years pursued a backward integration approach successfully. With regard to important core competences, we have deliberately chosen locations for our international production facilities where the raw materials primarily used are available locally. We not only purchase our raw materials there but are also integrated in the local economy, produce there and create value there. With this integrative approach, we support local socioeconomic structures and can directly monitor compliance with our ethical principles. For the backward integration of our supply chain, we have established corporate guidelines on due diligence and defined corresponding processes that also consider environmental and social risks.

414-1 ✓**New suppliers that were screened using social criteria**

With the help of a systematic management approach, we ensure that suppliers meet our standards: As part of this, all new suppliers must provide information on quality, product safety and environmental aspects as well as on their sustainability programs, on their assumption of social responsibility within their supply chains and their compliance with ethical standards. We require the safeguarding of general human rights, an undertaking not to make use of child labor or forced labor of any form and compliance with statutory health and work safety requirements. Furthermore, we expect our suppliers to allow their employees the right to freedom of assembly and collective bargaining, to observe at least the statutory provisions on working times and pay, and to make a clear commitment against discrimination and abuse. These standards constitute part of our Group-wide risk management system. As part of this, we carry out systematic risk and performance assessments of all suppliers on the basis of economic, ecological and social aspects.

We carry out audits for suppliers that pose an especially notable risk, that have crucial raw materials or that have had problems flagged in the assessment. These audits cover human rights aspects among other topics. If suppliers don't meet our defined standards, we jointly develop and implement improvement measures. If these standards are still not upheld after such attempts, the business relationship is terminated as a last resort. Cases in which a supplier relationship was terminated due to a breach of relevant criteria did not occur in 2016. All new suppliers were assessed on human rights.

414-2 ✓**Negative social impacts in the supply chain and actions taken**

The international platform of the Supplier Ethical Data Exchange (SEDEX) is a valuable tool with which we can more easily assess suppliers and deliver our own data to customers. Since 2006, we have been publishing information on working conditions and employee rights, health and safety as well as on environmental and ethical business practices via this platform. Every Symrise production site has been registered with SEDEX. Since 2012, we have requested that our most important suppliers register with SEDEX and disclose their data there. In total, 86% of our main suppliers – based on procurement volume – have been rated according to sustainability criteria (SEDEX / SMETA 4 Pillar).

We carry out audits for suppliers that pose an especially notable risk, that have crucial raw materials or that have had problems flagged in the assessment. The focus here is on environmental issues in addition to product safety, quality management, work safety, health and social responsibility. If suppliers don't meet our defined standards, we jointly develop and implement improvement measures. If these standards are still not upheld after such attempts, the business relationship is terminated as a last resort. All new suppliers fill out a supplier survey that contains a section with questions on labor practices. They must also sign an agreement that they will strictly comply with our CSR guidelines. Existing suppliers are also evaluated on their labor practices using the systematic risk assessment procedure. No critical labor practices (actual or potential) were seen with any suppliers.

All new suppliers were assessed on human rights in 2016. We did not identify any suppliers with a material, actual or potential negative human rights impact.

We source animal raw materials and byproducts exclusively from suppliers that comply with European laws and local regulations regarding animal welfare. Symrise does not slaughter nor transport any animals. In the Flavor & Fragrance industry, raw materials of animal origin are generally only used in very limited quantities. By contrast, poultry, pork, beef and fish are an essential component of the products made by Diana for pet food. In most cases, only byproducts (mainly from the food industry) are used. Using byproducts from local sources ensures the utmost raw-material efficiency and that food waste is substantially reduced. Furthermore, we founded the U.S. Roundtable for Sustainable Beef together with other companies in 2015. The goal is to continually improve the value chain for beef. In addition, we joined the [Sustainable Agriculture Initiative](#) (SAI) in 2016, which seeks to promote sustainable practices in agriculture.

CUSTOMER HEALTH AND SAFETY**103-1, 103-2, 103-3 ✓****Management Approach**

Every one of the 30,000 various Symrise products is subject to strict sustainability requirements. We develop individual sustainability concepts for every strategic product group – a unique approach in our industry. We concentrate our research and development activities particularly on the creation of products that contribute to satisfying human needs. Here an important focus is on green chemistry, natural raw materials and resource-efficient production processes along with innovative technologies.

Good manufacturing practice forms the general foundation for responsibly handling products and production processes. These guidelines serve to ensure quality in production processes and production environments and apply to the manufacturing of medicines and active ingredients as well as to the manufacturing of cosmetics, food and animal feed products. They are defined by the laws governing pharmaceuticals, cosmetics and foods.

Many requirements apply across product groups, such as quality requirements, clear product labeling and hygiene requirements. Moreover, legislators have passed corresponding regulations that define requirements specifically for individual product groups. Here, Symrise particularly differentiates between the product groups flavors, pharmaceutical agents and pharmaceutical additives as well as cosmetic active ingredients and raw materials.

416-1 ✓**Assessment of the health and safety impacts of product and service categories**

We guarantee the safety of our products throughout their entire life cycle. To do this, we integrate all relevant steps into our product safety policy, from supplier orders to customer delivery. Symrise ensures compliance with legislation, requirements laid down by associations and internal standards and continuously monitors this compliance. At Symrise, Regulatory Affairs is responsible for ensuring that Symrise products are in compliance with the relevant legislation.

Our customers are informed about technical characteristics and how to safely handle our products via corresponding data sheets, product specifications and additional, individually tailored informational materials.

416-2 ✓**Incidents of non-compliance concerning the health and safety impacts of products and services**

There were no breaches of safety or health regulations in relation to our products at Symrise in 2016.

FP5 ✓**Products from safety certified production plants**

More than 90% of our production sites are at least certified according to ISO 9001 or ISO 22000. In addition, 100% of our sites that produce food are certified using standards recognized by the Global Food Safety Initiative.

FP6 ✓**Products with reduced fat, sodium and sugar levels**

The focus of our research and development strategy is our enhanced commitment to “consumer well-being” which, for example, includes issues such as skin protection and healthier nutrition. So our ongoing aim is to continuously increase the share of these products in our sales volume. We work closely with our key customers to increase the contribution that end products make to promoting health.

For reasons of confidentiality, we do not publish figures on sales volumes or shares.

FP7 ✓**Products with an increased level of fiber, vitamins, minerals, herbal or health-promoting additives**

See FP6

MARKETING AND LABELING**103-1, 103-2, 103-3 ✓****Management Approach**

Ensuring the highest level of product safety is a material topic both for Symrise and our stakeholders. Our product safety policy and good manufacturing practice form the general foundation for responsibly handling products and production processes. These guidelines serve to ensure quality in production processes and in the production environment and apply to the manufacturing of medicines and active ingredients as well as cosmetics, food and animal feed products. They are defined by the laws governing pharmaceuticals, cosmetics and foods. Many requirements apply across product groups, such as quality requirements, clear product labeling and hygiene requirements. Independent audits and recognized certifications provide us with support as we strive to reach the highest standards and provide transparent evidence for our achievements.

417-1 ✓**Requirements for product and service information and labeling**

See Management Approach

417-2 ✓**Incidents of non-compliance concerning product and service information and labeling**

There were no known breaches in the year under review.

SOCIOECONOMIC COMPLIANCE**103-1, 103-2, 103-3 ✓****Management Approach**

As part of the materiality analysis we conducted during the year under review, we were able to determine once again that the topic of compliance continues to gain in social significance. Our binding principles are laid out in our Code of Conduct, which guides the actions of all employees. The principles apply for all countries regardless of possible conflicting cultural customs. It not only regulates behavior toward key Symrise partners, but it also ensures transparent and reliable processes. The Code also references ethical and legal challenges that can arise in the workplace, as part of business relationships or when handling information. In the interest of all employees and the company, we react swiftly to violations against the Code and rectify their causes. In the event that our ethical and legal standards are breached, the Group Compliance office has installed an Integrity Hotline that can be used by all Symrise employees, regardless of their native language, to anonymously report breaches in legal regulations and internal company guidelines. Misconduct is consistently prosecuted in accordance with the applicable national laws.

419-1 ✓**Non-compliance with laws and regulations in the social and economic area**

The Integrity Hotline was used in 2016 to report five cases, and irregular practices were also brought directly to the attention of the Group Compliance office. In all cases, an investigation was initiated, and in two cases legal sanctions were issued. No material damage to third parties or to Symrise resulted from these cases.

ANIMAL WELFARE**103-1, 103-2, 103-3 ✓****Management Approach**

The topic of animal welfare became material in 2014 with our acquisition of the Diana Group. This year's materiality analysis has once again confirmed the importance of the topic both from the point of view of its significance to Symrise as well as from the perspective of its increasing significance to customers, consumers, and civil society.

We source animal raw materials and byproducts exclusively from suppliers that comply with European laws and local regulations regarding animal welfare. Symrise does not slaughter nor transport any animals.

In the Flavor & Fragrance industry, raw materials of animal origin are generally only used in very limited quantities. By contrast, poultry, pork, beef and fish are an essential component of the products made by Diana for pet food. In most cases, only byproducts (mainly from the food industry) are used. Using byproducts from local sources ensures the utmost raw-material efficiency and that food waste is substantially reduced. We are currently working to further develop our policy on animal welfare. Although Symrise does not process any animals, the share of raw materials originating from animals has increased with our acquisition of Diana, which is why we are placing such importance on clear and responsible standards in this area. Furthermore, we founded the U.S. Roundtable for Sustainable Beef together with other companies in 2015. The goal is to continually improve the value chain for beef.

FP9 ✓

Percentage and total of animals raised and/or processed, by species and breed type

As a company, we are not involved in animal husbandry, nor do we slaughter any animals ourselves (regarding the supply chain, see [414-2](#)).

FP10 ✓

Policies and practices, by species and breed type, related to physical alterations and the use of anaesthetic

As a company, we are not involved in animal husbandry, nor do we slaughter any animals ourselves (regarding the supply chain, see [414-2](#)).

FP11 ✓

Percentage and total of animals raised and/or processed, by species and breed type, per housing type

As a company, we are not involved in animal husbandry, nor do we slaughter any animals ourselves (regarding the supply chain, see [414-2](#)).

FP12 ✓

Policies and practices on antibiotic, anti-inflammatory, hormone, and/or growth promotion treatments, by species and breed type

As a company, we are not involved in animal husbandry, nor do we slaughter any animals ourselves (regarding the supply chain, see [414-2](#)).

FP13 ✓

Total number of incidents if significant non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals

Symrise and Diana source animal raw materials and byproducts exclusively from suppliers that comply with European laws and local regulations regarding animal welfare. As a company, we are not involved in animal husbandry, nor do we slaughter any animals ourselves (regarding the supply chain, see [414-2](#)). We are currently working to further develop our policy on animal welfare. Although Symrise does not process any animals, the share of raw materials originating from animals has increased with our acquisition of Diana, which is why we are placing such importance on clear and responsible standards in this area. Furthermore, we founded the U.S. Roundtable for Sustainable Beef together with other companies in 2015. The goal is to continually improve the value chain for beef.