

# Sustainability Record 2018

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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 2018 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. This Sustainability Record complies with the standards (2016) of the Global Reporting Initiative as well as the new standards on water and wastewater (303, 2018) and occupational health and safety (403, 2018). The corresponding version of the standard is reported separately for each topic in the form of a respective annual figure. The Sustainability Record was prepared in accordance with the GRI standards “Comprehensive” option. Our Sustainability Record also contains our separate non-financial report in accordance with Section 289b (3) of the German Commercial Code (HGB). An overview of the related topics can be found on [page 3](#).

All of the sustainability disclosures indicated 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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# Contents

## **GENERAL DISCLOSURES**

- 4 [Organizational profile](#)
- 9 [Strategy](#)
- 13 [Ethics and integrity](#)
- 13 [Governance](#)
- 21 [Stakeholder engagement](#)
- 22 [Reporting practice](#)

## **TOPIC-SPECIFIC STANDARDS**

### **ECONOMIC**

- 26 [Economic Performance](#)
- 28 [Market Presence](#)
- 29 [Procurement Practices](#)
- 30 [Anti-corruption](#)
- 31 [Anti-competitive Behavior](#)

### **ENVIRONMENTAL**

- 32 [Materials](#)
- 33 [Energy](#)
- 35 [Water and Effluents](#)
- 37 [Biodiversity](#)
- 38 [Emissions](#)
- 40 [Effluents and Waste](#)
- 42 [Environmental Compliance](#)
- 42 [Supplier Environmental Assessment](#)

### **SOCIAL**

- 44 [Employment](#)
- 45 [Occupational Health and Safety](#)
- 50 [Training and Education](#)
- 53 [Diversity and Equal Opportunity](#)
- 56 [Non-discrimination](#)
- 57 [Freedom of Association and Collective Bargaining](#)
- 57 [Child Labor](#)
- 58 [Forced or Compulsory Labor](#)
- 59 [Rights of Indigenous Peoples](#)
- 59 [Human Rights Assessment](#)
- 60 [Local Communities](#)
- 61 [Supplier Social Assessment](#)
- 62 [Customer Health and Safety](#)
- 63 [Marketing and Labeling](#)
- 64 [Socioeconomic Compliance](#)
- 64 [Animal Welfare](#)

**REPORTED TOPICS IN ACCORDANCE WITH THE LAW TO STRENGTHEN COMPANIES' NON-FINANCIAL REPORTING IN THEIR MANAGEMENT AND GROUP MANAGEMENT REPORTS (CSR DIRECTIVE IMPLEMENTATION ACT, CSR-RUG)**

**Aspects according to CSR-RUG**

**Classification of central topics**

<b>Environmental concerns</b>	<ul style="list-style-type: none"> <li>• <a href="#">Emissions</a></li> <li>• <a href="#">Effluents and Waste</a></li> <li>• <a href="#">Energy</a></li> <li>• <a href="#">Environmental compliance</a></li> <li>• <a href="#">Materials</a></li> <li>• <a href="#">Biodiversity</a></li> <li>• <a href="#">Water and Effluents</a></li> <li>• <a href="#">Supplier environmental assessment</a></li> </ul>
<b>Employee aspects</b>	<ul style="list-style-type: none"> <li>• <a href="#">Occupational health and safety</a></li> <li>• <a href="#">Diversity and equal opportunity</a></li> <li>• <a href="#">Non-discrimination</a></li> </ul>
<b>Social aspects</b>	<ul style="list-style-type: none"> <li>• <a href="#">Economic performance</a></li> <li>• <a href="#">Materials</a></li> <li>• <a href="#">Animal welfare</a></li> <li>• <a href="#">Local communities</a></li> </ul>
<b>Respect for human rights</b>	<ul style="list-style-type: none"> <li>• <a href="#">Procurement practices</a></li> <li>• <a href="#">Human rights assessment</a></li> <li>• <a href="#">Non-discrimination</a></li> <li>• <a href="#">Freedom of association and collective bargaining</a></li> <li>• <a href="#">Child labor</a></li> <li>• <a href="#">Forced or compulsory labor</a></li> <li>• <a href="#">Rights of indigenous peoples</a></li> </ul>
<b>Combating corruption and bribery</b>	<ul style="list-style-type: none"> <li>• <a href="#">Anti-corruption</a></li> <li>• <a href="#">Anti-competitive behavior</a></li> <li>• <a href="#">Socioeconomic compliance</a></li> </ul>



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The Materiality Disclosures Service was performed on the German version of the report.

## GRI CONTENT INDEX

### GRI 101: FOUNDATION 2016

### GRI 102: GENERAL DISCLOSURE 2016

#### ORGANIZATIONAL PROFILE

##### **GRI 102-1: Name of the organization ✓**

Symrise AG

##### **GRI 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 approximately 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, pet food and baby food.

##### **GRI 102-3: Location of headquarters ✓**

Holzminden, Germany

##### **GRI 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.

##### **GRI 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.

##### **GRI 102-6: Markets served ✓**

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 nearly 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, pet food and baby food.

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.

**GRI 102-7: Scale of the organization ✓**

Symrise is a global supplier of fragrances and flavorings, cosmetic active ingredients and raw materials, functional ingredients and product solutions for food production based on natural starting materials. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food. With sales of € 3.2 billion in the 2018 fiscal year and a market share of around 10 %, Symrise is one of the leading global suppliers in the flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented by more than 100 locations in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The roots of Symrise date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise shares have been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 8.4 billion at the end of 2018, Symrise shares are listed on the MDAX® index. Currently, about 94 % of the shares are in free float.

Symrise AG’s headquarters are located in Holzminden, Germany. At this site, the Group’s largest, Symrise employs 2,418 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and France (Rennes, Brittany). Important production facilities and development centers are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. Symrise has sales branches in more than 40 countries.

**WORLDWIDE LOCATIONS 2018**

- Global Headquarters
- Regional Headquarters
- Symrise Sites



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

At the end of 2018, the Symrise Group had 9,694 employees worldwide, not including trainees and apprentices (excluding Probi). A strong, stable workforce that supports and advances our company is very important to us. We place great value on the training of new employees and the continuing education of our existing staff. Therefore, we predominantly employ permanent employees (96.8 % of our workforce). Only a small number of employees have fixed-term contracts (3.2 % of the workforce).

Women account for approximately 34.5 % of permanent employees in Germany; of fixed-term employees; women account for 28.3 %. At our locations outside of Germany, employees work almost exclusively in full-time positions in accordance with the respective local labor laws. In Germany, there are 449 employees who work part-time. This amounts to 15.6 % of our German workforce. All key activities at Symrise are performed by employees and thereby by supervised workers of the Symrise Group. In 2018, the percentage of temporary workers at Symrise, including Diana, was approximately 3 % of the workforce. 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 global, 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, thereby encompassing a total of at least 7,200 employees.

**GLOBAL EMPLOYEES (HEADCOUNT) BY CONTRACT TYPE AND WORKING HOURS\***

	2016	2017	2018	Change in 2018
<b>Permanent contracts</b>				
Full time	8,005	8,270	8,721	5.45 %
Part time	563	633	659	4.11 %
<b>Total</b>	<b>8,568</b>	<b>8,903</b>	<b>9,380</b>	<b>5.36 %</b>
<b>Fixed-term contracts</b>				
Full time	338	346	283	-18.21 %
Part time	38	33	31	-6.06 %
<b>Total</b>	<b>376</b>	<b>379</b>	<b>314</b>	<b>-17.15 %</b>
<b>Total</b>				
Full time	8,343	8,616	9,004	4.50 %
Part time	601	666	690	3.60 %
<b>Total</b>	<b>8,944</b>	<b>9,282</b>	<b>9,694</b>	<b>4.44 %</b>

\* Basis: employee figures (headcount, not FTE), not including temporary workers, apprentices and trainees and without Probi, as of December 31 of the respective year. Small differences in the totals may be present due to rounding.

**EMPLOYEES (FTE) BY REGION\***

Region	2016	2017	2018	Change in 2018
Germany	2,586	2,669	2,737	2.55 %
EAME (not including Germany)	1,837	2,025	2,097	3.56 %
North America	1,180	1,215	1,335	9.88 %
Asia/Pacific	1,423	1,440	1,474	2.36 %
Latin America	1,719	1,716	1,841	7.28 %
<b>Total (excluding apprentices and trainees)</b>	<b>8,745</b>	<b>9,065</b>	<b>9,484</b>	<b>4.62 %</b>
Apprentices and trainees	148	140	140	0.00 %
<b>Total</b>	<b>8,893</b>	<b>9,205</b>	<b>9,624</b>	<b>4.55 %</b>

\* Basis: full-time equivalents (FTE), not including temporary workers or Probi, as of December 31 of the respective year. Small differences in the totals may be present due to rounding.

**GRI 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 scorecard 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.

**GRI 102-10: Significant changes to the organization and its supply chain ✓**

There were no significant changes in 2018.

**GRI 102-11: Precautionary Principle or approach ✓**

In guidelines and initiatives like the UN Global Compact, the Precautionary Principle is cited as a guiding principle for risk prevention. The risk management system at Symrise is based on generally recognized standards (ISO 31000) and extends across all Group companies and business divisions. The Precautionary Principle is particularly important when it comes to managing the local impacts of our business activities. Our Integrated Management System is based on the international standards in the areas of quality management (ISO 9001), the environment (ISO 14001), occupational health and safety (OHSAS 18001), sustainability (ISO 26000), energy (ISO 50001), social responsibility (SA 8000), the generally accepted audit standards of the Global Food Safety Initiative (GFSI) and other recognized local standards that promote continuous improvement in performance.

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

In the reporting period, Symrise also again achieved an impressive CDP (formerly Carbon Disclosure Project) rating. Despite considerably higher requirements for CDP Rating participants, Symrise ranked once again at the very top in the categories climate and forests with the rating of A-. With the very good rating of B, we also reached a position ahead of other well-known companies in the category water. Until August 2017, Symrise was the only company in the industry to have its climate strategy approved by the Science Based Target Initiative. Symrise is committed to reducing its total greenhouse gas emissions by 50 percent per year based on value added by 2025. In addition, Symrise wants to ensure that suppliers, who supply raw materials accounting for at least 80 percent of our total purchasing volume, commit to their own climate targets and reduction measures that should be achieved by 2020 in order to reduce our Scope 3 emissions. As a result, Symrise is a role model for climate protection in our industry and acts in accordance with the resolutions of the UN climate conferences COP 21 in Paris, COP 22 in Marrakesh, COP 23 in Bonn, COP 24 in Katowice and the recommendations of IPCC 2018. (see also 201-2).

Symrise's inclusion in the ETHIBEL Sustainability Index (ESI) Excellence Europe was also confirmed for the fifth time in a row. Furthermore, the rating agency EcoVadis awarded Symrise the Gold status in recognition of its corporate social responsibility for the fourth time in a row.

Signatory of the UN Women's Empowerment Principles: At the initiative of the Corporate Sustainability Group, Symrise signed this UN guideline and followed it before many of our customers' other companies.

**GRI 102-12: External initiatives ✓**

Symrise wants to increase the value and sustainability of its business activities over the long term. For this reason, the managerial and supervisory bodies of 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 Global Compact of the United Nations, which we signed in 2012, provide additional guidance for our entrepreneurial actions. With our “advanced level” reporting, which we implemented for the first time in 2014, we have further strengthened our commitment to this issue. In addition, we support the sustainable development goals of the United Nations, which it published in 2015. As an initial step, we reviewed the compatibility of our sustainability strategy and objectives with the Sustainable Development Goals (SDGs) that apply to Symrise. In doing so, we were able to identify additional potential for improvement.

Symrise became a member of the Sustainable Spices Initiative (SSI) in 2013. Both for Symrise and the SSI, the focus is on the responsible sourcing and cultivation of raw materials. 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 become a higher priority for our agenda. With this in mind, we founded the U.S. Roundtable for Sustainable Beef together with other companies in 2015. The goal is to continuously improve the value chain for beef.

In addition to that, as a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2015, Symrise has set ambitious goals for itself that have already partially been achieved. By the middle of 2016, we converted our supply chain to palm oil that is certified as 100 % RSPO “Mass Balance.” In 2018, together with our strategic suppliers, we worked on implementing the complete responsible sourcing of our palm oil derivatives and switching to materials made from 100 % RSPO “Mass Balance”-certified palm oil. We set ourselves the same goal for the sourcing of secondary palm oil derivatives by the end of 2020. We also endorse ethical sourcing in conjunction with the Natural Stewardship Circle (NRSC) as well as the Code of Conduct of the Union for Ethical BiTrade (UEBT).

Since 2016, we have been a member of the Sustainable Agricultural Initiative (SAI), which underscores our commitment to the responsible sourcing of natural raw materials and the achievement of the strategic goal of backward integration.

**GRI 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. This occurs, for instance, through our involvement with associations like the International Fragrance Association (IFRA), the International Organization of the Flavor Industry (IOFI) and the European Federation of Cosmetic Ingredients (EFFCI). Our managers in the areas of Corporate Sustainability, Regulatory Affairs and R&D represent Symrise in the world’s largest associations for the fragrance, flavor and cosmetics industries.

Since 2017, Symrise has been a member of the World Business Council for Sustainable Development (WBCSD) and actively participates in working groups of the Food Reform for Sustainability and Health (FReSH) project. Since 2016, Symrise has supported the Natural Resources Stewardship Circle (NRSC) together with downstream users and major customers. Our Diana division is also a member of the Marine Ingredients Organization (IFFO), the Natural Food Colors Association (NATCOL), Food Industry Asia (FIA), the Syndicat National des Compléments Alimentaires (SYNADIET), the Syndicat National des Ingrédients Aromatiques Alimentaires (SNIAA) and the Union Nationale Interprofes Jus de Fruits (UNIJUS).

## **STRATEGY**

### **GRI 102-14: Statement from senior decision-maker ✓**

Dear readers and friends of Symrise!

Our company was founded in 2003, but its roots date back to 1874. Despite the pride we take in our tradition and past successes, we look mainly toward the future: How can we continue, or even accelerate, the successful development of Symrise? How can we use our strengths in an even more focused way to best meet the requests and needs of our customers and consumers worldwide? What do we need to change today so we can achieve our goals tomorrow?

In January 2019, we decided to continue following our proven strategy until 2025. With continuous organic growth of 5 to 7 %, we want to increase our sales to around € 5.5 to 6 billion. Our EBITDA is expected to expand to 20 to 23 % in the near future. We are driving forward our expansion in high-growth business areas with targeted investments – even beyond fragrances and flavorings. We are strengthening and securing our own natural raw material base. We will convert our market-leading innovative strength even more rapidly into innovative, market-ready products. And we are supporting our talented employees so that they learn to utilize their full potential. “Developing resources” – the motto of the 2018 Symrise Corporate Report – accurately reflects the central idea of our long-term strategy.

The commitment of Symrise to the sustainability of what we do and the preservation of our natural environment is inextricably linked to our economic ambitions. As a signatory of the United Nations Global Compact, we actively support the principles of responsible business outlined therein. In December 2018, Symrise was recognized with the German Sustainability Award in the category “Germany’s most sustainable large corporation 2019.” We are delighted to receive this honor, and we are proud of our achievement and its recognition by the wider public.

Symrise achieved organic sales growth of 9 % in the 2018 fiscal year. With an EBITDA margin of 20 %, we continue to be one of the most profitable companies in this industry. We generated earnings of € 2.12 per share for our shareholders, and the profit distribution will continue to rise. These, too, are achievements that make us proud.

The world of Symrise is colorful and diverse, and the topics covered in our Corporate Report are exciting, sometimes surprising and often instructive. We hope you enjoy reading it!

Your Global Management Committee

### **GRI 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.

With our business model, we help meet basic human needs for health, nutrition, care and well-being. At the same time, we consider the ways in which our company grows and is successful to be of vital importance. Many of the traditional production processes in our industry are energy-intensive, release potentially harmful emissions and consume precious natural resources. At the same time, if we want to deliver innovative and sustainable products, we are dependent on a new generation of well-educated employees as much as on rich biological diversity from which we can derive our inspiration and creative ideas.

We are convinced that only such an expanded view, one that goes beyond narrow corporate limits, helps to secure our long-term growth and to increase our efficiency while also enabling us to further develop our innovative and sustainable product portfolio. Therefore, the four pillars of our sustainability agenda, Footprint, Innovation, Sourcing and Care, form the foundations of our integrated corporate strategy. In these fields, we intend to make a concerted effort to reduce the negative impact of our business activities and to enhance our societal added value. In the process, we actively contribute to the achievement of the sustainable development goals. 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](#)).

## GENERAL DISCLOSURES

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 (see also [201-2](#)).

### Growth

In addition, we view our sustainability efforts and communications as a tangible opportunity to ensure Symrise's growth and to generate a competitive advantage. The decisive factors of influence in this connection are in part intensifying regulatory developments (e.g., in the area of climate or human rights), the increasing specific requirements of our major customers in terms of the performance of our products in terms of sustainability as well as investment decisions of the capital markets, which depend to an ever greater degree on our core business's orientation toward sustainability.

In particular, we regard the preservation of biodiversity and our commitment to animal welfare as an important foundation for the growth of our business. Biological diversity is the basis for safe nutrition, while enabling and promoting good taste as well as health and well-being. As a result, it is at the core of our business model and is crucial to our growth opportunities (see also management approach to biodiversity). The topic of animal welfare is a second important growth factor. Increasing consumer awareness here has given rise to markets for products for which stringent standards for animal welfare exist and additional cost is accepted (see also management approach to animal welfare).

At the same time, our sustainability efforts help us to minimize risks that could jeopardize our growth. In particular, this involves risks that could arise from our globally networked supply chain. Specifically, a shortfall in the supply of important raw materials could occur as a result of the consequences of climate change or natural catastrophes. On the other hand, if risks to the reputation of our suppliers emerge from the potential disregard for environmental or social standards, this could have an impact on Symrise. Through our sustainable supplier management, we proactively ensure that these risks are minimized (see also management approach to procurement practices, supplier environmental assessment and supplier social assessment).

### Efficiency

In the further professionalization of our sustainability management, we see significant opportunities to improve the efficiency of our business activities, while simultaneously reducing possible negative effects on humans and the environment. For example, 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 carbon goals (see also management approach to energy and emissions). 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.

Moreover, increasing eco-efficiency in the area of waste and wastewater is another area in which we combine the reduction of our ecological footprint with efficiency gains for Symrise. With the continuous reduction in chemical oxygen demand in our wastewater, we not only mitigate the expense that arises with the cleaning of our wastewater in municipal sewage treatment plants, but also avoid process losses in production at Symrise (see also management approach to wastewater and waste).

With regard to our employees, our efforts to ensure a safe and healthy workplace aim to reduce illness-related absences and to increase employee motivation (see management approach to occupational health and safety). Conversely, potential risks may arise here from a high accident and illness rate. As a result of the increase in our accident rate in 2017, we initiated comprehensive training courses for senior executives in December 2017. At the same time, the number of management safety visits was increased and special training courses and campaigns educating about the main causes of accidents were carried out. In the process, special training courses were launched for new apprentices. By taking these measures, we were able to reduce our accident rate (MAQ\*) from 4.7 in 2017 to 4.1 in 2018. Since we assume that many of our measures require a longer time horizon in order to show the intended impact, we have adjusted our original goal of a MAQ < 2. By 2020 we now aim for a MAQ < 2.5 and would also like to achieve a MAQ of < 1.5 by 2025.

### Product Portfolio

With the steadily growing demand for sustainable products, the opportunities we seek by focusing on innovative and sustainable products also improve.

We develop a customized sustainability concept for each of our strategic product groups. Sustainability itself is a strong driver of innovation: By complying with strict sustainability criteria in product development, we maximize the social and ecological added value of products and create value for customers and stakeholders. The “Product Sustainability Scorecard System” we have created makes an important contribution to the development of innovative and sustainable product solutions. The externally audited process makes it possible to recognize the environmental impacts of raw materials and products and to compile them in a scientifically sound analysis. The ten sustainability criteria include traceability, water consumption, the impact on biodiversity in the supply chain as well as the product’s biodegradability. As a result, we can transparently present the respective sustainability advantages of the products relative to conventional alternatives for our customers.

We develop our products primarily in the regions where they are sold. The different market requirements we address with this approach simultaneously also present us with challenges. For example, key sustainability topics and consumer preferences differ from region to region. Therefore, our divisions consistently set different priorities for each region in order to offer tailored product solutions.

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.

Track record, goals and measures

Dimensions	2018 track record	Goals 2020	Goals 2025	Notes
 <b>BUSINESS</b>	<ul style="list-style-type: none"> <li>8.8% organic sales growth</li> </ul>	<ul style="list-style-type: none"> <li>5-7%</li> </ul>	<ul style="list-style-type: none"> <li>5-7%</li> </ul>	<ul style="list-style-type: none"> <li>CAGR</li> </ul>
	<ul style="list-style-type: none"> <li>20.0% EBITDA margin</li> </ul>	<ul style="list-style-type: none"> <li>19-22%</li> </ul>	<ul style="list-style-type: none"> <li>20-23%</li> </ul>	<ul style="list-style-type: none"> <li>Annual EBITDA margin</li> </ul>
	<ul style="list-style-type: none"> <li>43% share of sales for emerging markets</li> </ul>	<ul style="list-style-type: none"> <li>&gt;50%</li> </ul>	<ul style="list-style-type: none"> <li>&gt;50%</li> </ul>	<ul style="list-style-type: none"> <li>Sales in emerging markets relative to Group sales</li> </ul>
 <b>FOOTPRINT<sup>1</sup></b>	<ul style="list-style-type: none"> <li>-3.0% reduction in greenhouse gas emissions (Scope 1 + 2)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 5% per year</li> </ul>	<ul style="list-style-type: none"> <li>Increase in eco-efficiency of greenhouse gas emissions (Scope 1 + 2) by 50% Base year 2016: 317.2 tons of CO<sub>2</sub> emissions/€ million of added value Goal 2025: 157.4 tons of CO<sub>2</sub> emissions/€ million of added value</li> </ul>	<ul style="list-style-type: none"> <li>Failure to achieve the goal for the year 2018 because a production site did not have a climate-friendly energy source available at times</li> <li>After meeting our 2020 goal of reducing greenhouse gas emissions by 33% ahead of schedule, we now aim to increase eco-efficiency by 5.6% annually, well above our approved Science Based Target Initiative target (&gt;5%) and in line with 2018 IPCC recommendations</li> </ul>
	<ul style="list-style-type: none"> <li>-14.8% reduction in chemical oxygen demand in wastewater</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 4% per year</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the efficiency of the chemical oxygen demand in wastewater by 4% annually by 2025 or by a total of 60% compared to the base year 2010</li> </ul>	<ul style="list-style-type: none"> <li>We are continually increasing the yield of our products</li> </ul>
	<ul style="list-style-type: none"> <li>-1.8% reduction in sensitive waste</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of 4% per year</li> </ul>	<ul style="list-style-type: none"> <li>Increase in the efficiency of sensitive waste by 4% annually by 2025 or by a total of 60% compared to the base year 2010</li> </ul>	<ul style="list-style-type: none"> <li>As part of our backward integration, we added a product to our portfolio that classifies a significant byproduct as sensitive waste, but this supposedly sensitive waste is easily and biologically degradable</li> </ul>
			<ul style="list-style-type: none"> <li>Increase the efficiency of water consumption at all production sites in arid regions by 15% (2018-2025)</li> </ul>	<ul style="list-style-type: none"> <li>We are continually increasing the efficiency of our water consumption</li> </ul>
			<ul style="list-style-type: none"> <li>Increase the share of electricity from renewable sources required worldwide to 100%</li> </ul>	<ul style="list-style-type: none"> <li>We are continually investing in increasing our energy efficiency and in renewable energies and checking the acquisition of CO<sub>2</sub> certificates of origin</li> </ul>
 <b>INNOVATION</b>	<ul style="list-style-type: none"> <li>17.1% of sales from new product developments<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>&gt;10%</li> </ul>	<ul style="list-style-type: none"> <li>&gt;12%</li> </ul>	<ul style="list-style-type: none"> <li>Networking the highly diverse areas of expertise of Nutrition (Diana), Flavor and Scent &amp; Care</li> </ul>
 <b>SOURCING</b>	<ul style="list-style-type: none"> <li>90% of our main suppliers (80% of the procurement volume) assessed according to sustainability criteria</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>	<ul style="list-style-type: none"> <li>100% (90% of procurement volume)</li> </ul>	<ul style="list-style-type: none"> <li>Increase of the included procurement volume from 80% (2020) to 90% (2025)</li> </ul>
	<ul style="list-style-type: none"> <li>98% traceability of strategic raw materials</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>		<ul style="list-style-type: none"> <li>Not applicable as 2025 goal, since expected to be met by 2020</li> </ul>
	<ul style="list-style-type: none"> <li>&gt;50% primary and &gt;68% secondary palm oil derivatives from certified sustainable sources</li> </ul>	<ul style="list-style-type: none"> <li>100%</li> </ul>	<ul style="list-style-type: none"> <li>100% sustainable procurement of strategic agro- and aquaculture raw materials</li> </ul>	<ul style="list-style-type: none"> <li>In 2018, numerous recipes were converted to palm oil-free or certified qualities; not applicable as 2025 goal, since expected to be met by 2020</li> </ul>
 <b>CARE</b>	<ul style="list-style-type: none"> <li>27% women in the first management level</li> </ul>	<ul style="list-style-type: none"> <li>17%</li> </ul>	<ul style="list-style-type: none"> <li>20%</li> </ul>	
	<ul style="list-style-type: none"> <li>42% women in the second management level</li> </ul>	<ul style="list-style-type: none"> <li>22%</li> </ul>	<ul style="list-style-type: none"> <li>25%</li> </ul>	
	<ul style="list-style-type: none"> <li>4.1 MAQ<sup>3</sup> accident frequency</li> </ul>	<ul style="list-style-type: none"> <li>&lt;2.5 MAQ</li> </ul>	<ul style="list-style-type: none"> <li>&lt;1.5 MAQ</li> </ul>	<ul style="list-style-type: none"> <li>Continuous implementation of a zero-accident culture</li> </ul>

1 All figures relative to the value created

2 Relative to market launch in the past three years

3 MAQ = work accidents (> 1 lost day) x 1 million/working hours, industry-leading occupational safety as of 2020

## **ETHICS AND INTEGRITY**

### **GRI 102-16: Values, principles, standards, and norms of behavior ✓**

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.

We continue to adhere to the Code of Conduct, which was introduced in 2006 and fundamentally revised in 2016, in order to ensure uniform and exemplary action and conduct. This Code of Conduct applies to the Executive Board and the Supervisory Board and to all Symrise employees in Germany and abroad, i.e., to managers and all employees in the Group equally. The Code of Conduct – a binding guiding principle – defines minimum standards and sets out behavior enabling all employees to cooperate in meeting these standards. The purpose of the Code of Conduct is to help all employees cope with the ethical and legal challenges of their everyday work and provide them with guidance in conflict situations. 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.

### **GRI 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**

### **GRI 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](http://www.symrise.com).

### **GRI 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.

### **GRI 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.

## GENERAL DISCLOSURES

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.

### **GRI 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](#)).

### **GRI 102-22: Composition of the highest governance body and its committees ✓**

The current Supervisory Board at Symrise AG includes eight independent members and four women: Ms. Buck, Ms. Kurtgil, Prof. Dr. Pfeifer and Ms. Püttcher.

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 2017.

The Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, has the aim of increasing the share of female managers holding upper management positions at companies and contributing to gender equality in the long term. Symrise AG aims to achieve a 20 % share of women on the Executive Board in the long term. Measures related to specific persons have been agreed between the Supervisory Board and the Executive Board for this purpose. Nevertheless, we must respect current employment contracts and ensure continuity in the Executive Board. The current members of the Executive Board have contracts that extend into the years 2020 to 2024.

Generally, at least seven independent members should always be represented in the Supervisory Board. Members of the Supervisory Board who are employed by Symrise AG are not regarded as independent members of the Supervisory Board. The necessary independence is particularly lacking when a Supervisory Board has a personal or business relationship with Symrise AG, its corporate bodies, a controlling shareholder or an affiliated company which may give rise to a material, and not merely temporary, conflict of interest. This goal is currently being met. The independent members are: Dr. Thomas Rabe, Ursula Buck, Horst-Otto Gerberding, Bernd Hirsch, Jeannette Kurtgil, Prof. Dr. Andrea Pfeifer, Dr. Winfried Steeger and Peter Winkelmann.

Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members from other nations does not fall below one-third. With regard to Symrise, this means that nationality is not the only focus. Rather, the decisive factor is that at least one-third of the members of the Supervisory Board have gained substantial experience in globally active groups in Germany and abroad. This goal is also currently being met.

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. These two goals are currently being met. Concerning future nominations, it will be ensured that the goals defined by the Supervisory Board continue to be fulfilled.

## GENERAL DISCLOSURES

In accordance with Section 125 (1) sentence 5 of the German Stock Corporation Act (AktG), of the twelve members of the Supervisory Board five hold memberships in other statutory supervisory boards and memberships in comparable domestic and international supervisory bodies of commercial enterprises:

### Dr. Thomas Rabe:

- Bertelsmann Inc., Wilmington, NC, USA, Chairman of the Supervisory Board (until November 30, 2018)
- RTL Group S.A., Luxembourg, Chairman of the Supervisory Board
- Penguin Random House LLC, UK, Chairman of the Supervisory Board (from 1/1/2018)
- Bertelsmann Learning LLC., New York, NY, USA, Member of the Supervisory Board (until November 30, 2018)
- Relias Learning LLC, Cary, NC, USA, Member of the Supervisory Board (until November 30, 2018)

### Jeannette Kurtgil:

- 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
- EUROGATE Geschäftsführungs-GmbH & Co KGaA, Bremen, Member of the Supervisory Board
- Familie Thomas Eckelmann Verwaltungsgesellschaft mbH, Hamburg, Deputy Chairman of the Administrative Board
- Kurt F.W.A. Eckelmann GmbH, Hamburg, Deputy Chairman of the Administrative Board
- Familie Thomas Eckelmann GmbH & Co. KG, Hamburg, Deputy Chairman of the Administrative Board

### Peter Winkelmann:

- amedes Holding GmbH, Hamburg, Deputy Chairman of the Supervisory Board
- aenova Holding GmbH, Starnberg, Germany, 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.

### **GRI 102-23: Chair of the highest governance body ✓**

Bernd Hirsch, who joined the Supervisory Board on May 16, 2018, is the first member to have previously been a member of the Executive Board. There was a period of two years, four months and 15 calendar days between the end of Mr. Hirsch's activity on the Executive Board and his election to the Supervisory Board. This satisfied the conditions of Section 100 (2) number 4 of the German Stock Corporation Act (AktG) (the "cooling-off" period).

A neutral and independent consulting and monitoring of the Executive Board continues to be ensured without restriction. At least one independent member has expertise in accounting or auditing.

### **GRI 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 (DCGK) 2017, the shareholder representatives are elected individually at the Annual General Meeting.

The six employee representatives were chosen from among the German staff on February 24, 2016, in compliance with the legally prescribed election process.

Currently, the following shareholder representatives have been elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year:

## GENERAL DISCLOSURES

Dr. Thomas Rabe, Chief Executive Officer of Bertelsmann Management SE, Berlin; Ursula Buck, Managing Director of Top Management Consulting Buck Consult, Possenhofen; Horst-Otto Gerberding, Managing Partner at Gottfried Friedrichs (GmbH & Co.) KG, Holzminden; and Prof. Dr. Andrea Pfeifer, Chief Executive Officer of AC Immune S.A., St. Léger, Switzerland.

Due to reaching the age limit, Dr. Winfried Steeger, Managing Director of Jahr GmbH, Hamburg, was elected to the Supervisory Board for a term that runs until the end of the Annual General Meeting that will decide on discharges for the 2019 fiscal year.

Due to his reaching the age limit, Dr. Becker's term of office ended at the conclusion of the General Meeting on May 16, 2018, and a new representative of the shareholders was elected to the Supervisory Board. Taking into account the goals and the competence profile for the composition of the Supervisory Board, Bernd Hirsch, Chief Financial Officer of Bertelsmann Management SE, Neuler, was elected to the Supervisory Board until the end of the Annual General Meeting that will decide on discharges for the fiscal year 2020.

In accordance with Section 5.4.3 sentence 3 of the German Corporate Governance Code 2017, mention was made of the intention to propose Dr. Thomas Rabe as a candidate for Chairman of the Supervisory Board in the event of his reelection.

The following employee representatives were elected to the Supervisory Board for the period lasting until the end of the Annual General Meeting that will decide on discharges for the 2020 fiscal year:

Harald Feist, Chairman of the works council and Chairman of the general works council of Symrise AG, Holzminden; Frau Andrea Püttcher, Vice Chairperson of the works council and Vice Chairperson of the general works council of Symrise AG, Bevern; André Kirchhoff, independent member of the works council at Symrise AG, Bevern; Dr. Ludwig Tumbrink, Vice President Compounding Flavor EAME at Symrise AG, Höxter; Jeannette Kurtgil, IG BCE trade union secretary for the North region, Burgdorf; and Peter Winkelmann, Regional Head of the IG BCE district Alfeld, Alfeld.

When nominating candidates for election to the Supervisory Board, particular attention was 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. The current Supervisory Board at Symrise AG includes eight independent members and four women: Ms. Buck, Ms. Kurtgil, Prof. Dr. Pfeifer and Ms. Püttcher. The Supervisory Board will continue to attempt to implement the regulations specified in the Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, insofar as it concerns the composition of the Supervisory Board and with the support of corresponding nominations regarding the election of the shareholder representatives by the Annual General Meeting and the election of employee representatives by the staff.

Bernd Hirsch, who joined the Supervisory Board on May 16, 2018, is the first member to have previously been a member of the Executive Board. There was a period of two years, four months and 15 calendar days between the end of Mr. Hirsch's activity on the Executive Board and his election to the Supervisory Board. This satisfied the conditions of Section 100 (2) number 4 of the German Stock Corporation Act (AktG) (the "cooling-off" period). A neutral and independent consulting and monitoring of the Executive Board continues to be ensured without restriction. At least one independent member has expertise in accounting or auditing.

The Supervisory Board is to name specific goals for its composition pursuant to No. 5.4.1 (2) sentence 1 of the Corporate Governance Code 2017, 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 2017.

Generally, at least seven independent members should always be represented in the Supervisory Board. Members of the Supervisory Board who are employed by Symrise AG are not regarded as independent members of the Supervisory Board. The necessary independence is particularly lacking when a Supervisory Board has a personal or business relationship with Symrise AG, its corporate bodies, a controlling shareholder or an affiliated company which may give rise to a material, and not merely temporary, conflict of interest. This goal is currently being met. The independent members are: Dr. Thomas Rabe, Ursula Buck, Horst-Otto Gerberding, Bernd Hirsch, Jeannette Kurtgil, Prof. Dr. Andrea Pfeifer, Dr. Winfried Steeger and Peter Winkelmann.

## GENERAL DISCLOSURES

Furthermore, the Supervisory Board strives to ensure that the share of Supervisory Board members from other nations does not fall below one-third. With regard to Symrise, this means that nationality is not the only focus. Rather, the decisive factor is that at least one-third of the members of the Supervisory Board have gained substantial experience in globally active groups in Germany and abroad. This goal is also currently being met.

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. These two goals are currently being met. Concerning future nominations, it will be ensured that the goals defined by the Supervisory Board continue to be fulfilled.

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. To the extent that this is legally admissible, in individual cases the Supervisory Board delegates decision-making to its committees. The Supervisory Board established an Auditing Committee, an Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act (MitbestG), a Personnel Committee and a Nominations Committee as permanent committees. The task of the latter is to recommend suitable candidates to represent the shareholders when new Supervisory Board elections are coming up. The Chairman of the Supervisory Board chairs all of the committees with the exception of the Auditing Committee. In the full meetings, the chairmen of the committees report regularly and comprehensively on the content and results of the committee meetings.

The Personnel Committee is responsible for matters pertaining to the Executive Board. These matters particularly include making resolution recommendations at the full Supervisory Board meetings regarding the appointment of Executive Board members or regarding components of Executive Board members' employment contracts. This committee is also responsible for succession planning at the Executive Board level. The Personnel Committee deals with the development of the Executive Board remuneration system – specifying the amount of remuneration and the related target agreements and making corresponding recommendations at the full Supervisory Board meetings. The Personnel Committee additionally resolved to incorporate the criterion of diversity when appointing future Executive Board members, striving in particular to give appropriate consideration to women. The Personnel Committee currently has six members, of which three members are chosen by the shareholder representatives and three are chosen by the employee representatives in the Supervisory Board. The members are: Dr. Thomas Rabe (Chairman), Harald Feist, Horst-Otto Gerberding, Prof. Dr. Andrea Pfeifer, Dr. Ludwig Tumbrink and Peter Winkelmann.

The Auditing Committee mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system and the audit of annual accounts. It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. Furthermore, the Auditing Committee discusses the interim reports in detail and approves them before they are published. The Auditing Committee prepares the Supervisory Board's decision on the approval of the annual financial statements and its approval of the consolidated financial statements. To this end, it is responsible for pre-auditing the annual financial statements, the consolidated financial statements, the management report and the proposal regarding appropriation of earnings. The regular agenda items also include the receipt of the reports from Internal Auditing and the Group Compliance office as well as the risk report. At least one member of the Auditing Committee must be independent and possess expertise in accounting or auditing. The Auditing Committee currently has six members. Three members are shareholder representatives on the Supervisory Board and three are employee representatives on the Supervisory Board. The members are: Bernd Hirsch (Chairman), Ursula Buck, Harald Feist, Jeannette Kurtgil, Dr. Winfried Steeger and Peter Winkelmann.

The Auditing Committee prepared the Supervisory Board's proposal to the Annual General Meeting to nominate Ernst & Young GmbH of Hanover as the new auditor. Furthermore, the Auditing Committee solicited a statement of independence from the auditor. It commissioned the auditor, established the main focuses of the audit and prepared the resolution for the Supervisory Board regarding the auditing fees. Additionally, the Auditing Committee drew up its own regulation regarding its concrete procedure.

Shareholders and employees are equally represented on the Arbitration Committee pursuant to Section 27 (3) of the Codetermination Act. It currently consists of four members: Dr. Thomas Rabe (Chairman), Ursula Buck, Harald Feist and Dr. Ludwig Tumbrink.

The Nominations Committee consists exclusively of shareholder representatives from the Supervisory Board in accordance with the German Corporate Governance Code 2017. 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.

**GRI 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 2018.

**GRI 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.

**GRI 102-27: Collective knowledge of highest governance body ✓**

When nominating candidates for election to the Supervisory Board, particular attention was 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. The current Supervisory Board at Symrise AG includes eight independent members and four women: Ms. Buck, Ms. Kurtgil, Prof. Dr. Pfeifer and Ms. Püttcher. The Supervisory Board will continue to attempt to implement the regulations specified in the Act on the Equal Participation of Women and Men in Management Positions in Private Economy and Public Service, which was passed by the German Bundestag on February 6, 2015, and the Bundesrat on March 27, 2015, insofar as it concerns the composition of the Supervisory Board and with the support of corresponding nominations regarding the election of the shareholder representatives by the Annual General Meeting and the election of employee representatives by the staff.

**GRI 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. The chairman of the Supervisory Board coordinates the work in the Supervisory Board, chairs its meetings and externally represents the concerns of the body.

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.

Bernd Hirsch, who joined the Supervisory Board on May 16, 2018, is the first member to have previously been a member of the Executive Board. There was a period of two years, four months and 15 calendar days between the end of Mr. Hirsch's activity on the Executive Board and his election to the Supervisory Board. This satisfied the conditions of Section 100 (2) number 4 of the German Stock Corporation Act (AktG) (the "cooling-off" period). A neutral and independent consulting and monitoring of the Executive Board continues to be ensured without restriction. At least one independent member has expertise in accounting or auditing.

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

The Auditing Committee established by the Supervisory Board mainly focuses on matters relating to the annual financial statements and consolidated financial statements, which includes monitoring the accounting process, the effectiveness of the internal controlling system, the risk management system, the internal auditing system and the audit of annual accounts.

It also monitors the independence and qualifications of the auditor as well as additional services provided by the auditor. The regular agenda items also include the receipt of the reports from Internal Auditing and the Group Compliance office as well as the risk report.

**GRI 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.

**GRI 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 Group's 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 and rewards are identified and classified according to their effect on profit (net method) as well as the probability of their occurrence. An efficacy test of the risk report is performed during internal corporate audits. In addition, the risks and rewards of all segments are discussed within the Sustainability Board and measures are taken, if necessary.

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

This report is reviewed by the Executive Board, all non-financial report points are audited by DQS and then the report is presented to the Supervisory Board for approval.

**GRI 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.

**GRI 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.

**GRI 102-35: Remuneration policies ✓**

The remuneration of our Executive Board members is set and reviewed annually by the Supervisory Board. It 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. Further, the customary level of remuneration at peer companies and the internal Symrise remuneration structure are also considered. At Symrise, the Executive Board members earn on average 28 times the remuneration of a German employee or an average employee worldwide. Therefore, the remuneration of Executive Board members is appropriate according to an internal company comparison. All members of the Executive Board receive a target total remuneration. This is comprised of a fixed remuneration (33 %), the annual variable component (additional 33 %) and a long-term variable component (additional 33 % of the total target remuneration), each at 100 % goal attainment. This total target remuneration is restricted by a maximum remuneration for the annual bonus and the long-term incentive (cap).

80 % of the variable annual remuneration for our Executive Board members is based on earning targets (EBITDA, EBITDA margin, business free cash flow, earnings per share) 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. The performance goals are derived from the business plan for the current calendar year as well as agreed-upon individual, division-specific 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 in the respective divisions. In 2018, the priority was increased process efficiency, particularly in the "Brief to Contract" process. In addition, certain items are also incentivized, such as the reduction of our direct and energy-indirect (Scopes 1 and 2) CO<sub>2</sub> 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 (33 % of the entire remuneration) independent 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.

## GENERAL DISCLOSURES

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.

For our managers and employees who are not governed by collective bargaining agreements, remuneration is determined worldwide by means of a job grade model. This model rates the functional contribution of each individual to the success of the company (strategy, responsibility for sales and expenses, manager-to-staff ratio, etc.) and assigns a corresponding remuneration range to the function. Our managers receive a regular fixed monthly or annual income.

All employees who are not governed by collective bargaining agreements receive variable remuneration between 10 % and 20 % according to the remuneration range. We have established a separate global performance bonus plan for our approximately 120 managers who have global or regional responsibilities (senior management). With this, we align the organization and thereby managers with the achievement of 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 25 % to 50 % of the fixed annual remuneration.

### **GRI 102-36: Process for determining remuneration ✓**

In accordance with 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 full Supervisory Board meeting advises and determines the remuneration system for the Executive Board and regularly monitors its implementation. It does this upon request of the Personnel Committee. The current remuneration system was last approved by a majority of the shareholders at the 2015 Annual General Meeting. If changes are made to the remuneration system, it must be put to a vote at the annual shareholder meeting.

Our remuneration system fulfills all of the recommendations of the German Corporate Governance Code in its version from February 7, 2017.

The system and amount of the Executive Board's remuneration are regularly reviewed by the Supervisory Board at its first meeting of the year with the support of the Personnel Committee. The last review occurred in March 2018. In the process, the Personnel Committee is guided by external benchmarking, which is prepared as needed and on a topic-specific basis (for example regarding the design of a long-term incentive program).

There is no personal relationship between Symrise and the professional consulting company. Commissioning is done in each individual case by the Supervisory Board. For example, the Swiss financial research firm Obermatt advised the Supervisory Board on this year's review of the long-term incentive program.

### **GRI 102-37: Stakeholders' involvement in remuneration ✓**

The Chairman of the Supervisory Board reports extensively on the remuneration of Executive Board members at the Annual General Meeting. The current remuneration system was 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 without change since then, so another resolution has not been required. Furthermore, in accordance with German codetermination, employee representatives in the Supervisory Board participate as stakeholders in determining remuneration.

### **GRI 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 toward the value contribution of the function that employees perform and not their hierarchical placement. This ensures that remuneration within the company is perceived as transparent, fair and in line with the market, and that it is not bound to hierarchical structures. The job grade concept includes a manager track and a specialist track for experts. It consists of wide salary ranges that facilitate the individual development of employees by means of "job enrichment," projects or augmented expertise. By using this approach, we align professional development with salary development. Depending on the form of the wage agreement, the job grades include 5 to 10 steps for the classification of functions according to a set catalog of criteria (for example, qualification, know-how, functional responsibility, strategic impact).

In Germany, by far our largest location, the average annual total remuneration 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 € 62,000. As such, our employees with the highest remuneration earn 4 to 5 times more than our average employee.

## GENERAL DISCLOSURES

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 € 65,700. 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 € 102,000. 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 € 44,250. 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 the 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 28 times the average remuneration of Symrise employees.

### **GRI 102-39: Percentage increase in annual total compensation ratio ✓**

The remuneration for our Executive Board members is essentially fixed for the duration of the three-year or five-year contract. In principle, this means that no annual adjustments are made. In Germany, the remuneration of all employees increased by 2.9 % as of November 1, 2018, thanks to a new collective bargaining agreement. The regular remuneration for the highest paid management has increased by 2.1 %. In Singapore, the remuneration of all employees also increased by 2.4 %. The regular remuneration for the highest paid management has increased by 1.6 %. In the United States, the remuneration of all employees has increased by 3.1 %. The regular remuneration for the highest paid management has increased by 2.0 %. In Brazil, the remuneration of all employees has increased by 4.0 %. The regular remuneration for the highest paid management has increased by 4.0 %.

## **STAKEHOLDER ENGAGEMENT**

### **GRI 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.

### **GRI 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. For this reason, our local sites establish the legally required collective employee representation. In addition, 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.

### **GRI 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.

### **GRI 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.

## GENERAL DISCLOSURES

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.

### **GRI 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 2018, we were able to determine increased significance for the topics of “local value creation” and “partnerships” by using various formats for exchanging ideas. In 2019, as part of the review of our materiality analysis, we will conduct in-depth interviews with representatives of our key stakeholder groups in order to determine current developments and related expectations from Symrise in the area of sustainability.

## **REPORTING PRACTISE**

### **GRI 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 127-129](#).

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.

### **GRI 102-46: Defining report content and topic Boundaries ✓**

The analysis of our key topics is based on our “Sharing Values” approach. We evaluate sustainability aspects and fields of action according to their “social value” and their “value for Symrise,” enabling us to identify topics with the greatest potential to create shared value. In the process, we analyze the significance of the topics for our business as well as the possible positive and negative effects of our business activities on humans and the environment.

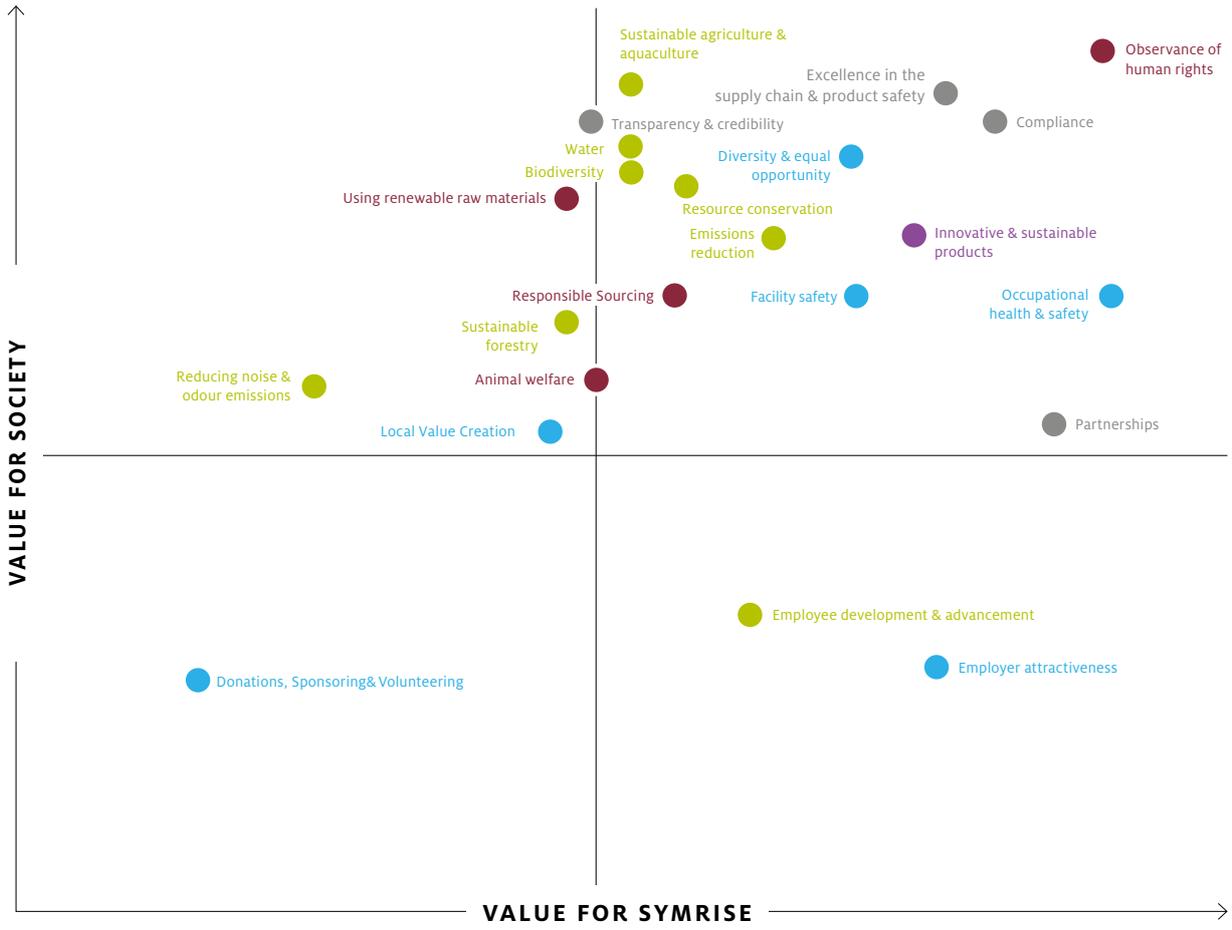
The Sustainability Board carried out the crucial review of our Materiality Analysis 2018. In the process, the decision was made to no longer treat the topic of “excellence in the supply chain” as a separate item, but instead to combine it with the topic of “ensuring the highest quality and product safety” given the significant substantive overlap.

In the reporting year, a slightly higher significance for value generation at Symrise was identified for the topics of “sustainable agriculture and aquaculture” and “water.” We recognized that the topics of “local value creation” and “partnerships” have higher significance for the company. The relevance of the other topics was confirmed.

In 2019, we plan to examine our key topics closely, taking into account our relevant stakeholder groups as well as internal and external experts, and to evaluate the influence and approach of Symrise in terms of sustainable development.

Along with our strategic orientation, identifying key issues also serves as a basis for structuring our reporting pursuant to the GRI standards. We provide a full report on topics that were viewed as having a higher value for both Symrise and society. We provide a report with at least one indicator on topics that have a high relevance in just one dimension.

GENERAL DISCLOSURES



**GRI 102-47: List of material topics ✓**

Key topics	GRI reporting topics	Material impact inside the organization	Material impact outside the organization
<b>High materiality (reported “in accordance” with the GRI comprehensive option)</b>			
Innovative and sustainable products	<ul style="list-style-type: none"> <li>Economic performance</li> <li>Materials</li> </ul>	Symrise AG and its consolidated subsidiaries	Customers (global)
Responsible sourcing	<ul style="list-style-type: none"> <li>Supplier environmental and social assessment</li> </ul>	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Excellence in the supply chain & product safety	<ul style="list-style-type: none"> <li>Effluents and Waste</li> <li>Energy</li> <li>Customer Health and Safety</li> <li>Marketing and Labeling</li> <li>Compliance</li> </ul>	Symrise AG and its consolidated subsidiaries	Suppliers, logistics service providers, customers (worldwide)
Resource conservation	<ul style="list-style-type: none"> <li>Materials</li> <li>Effluents and Waste</li> </ul>	Symrise AG and its consolidated subsidiaries	
Emissions reduction	<ul style="list-style-type: none"> <li>Emissions</li> </ul>	Symrise AG and its consolidated subsidiaries	
Diversity and equal opportunity	<ul style="list-style-type: none"> <li>Diversity and Equal Opportunities</li> <li>Non-discrimination</li> </ul>	Symrise AG and its consolidated subsidiaries	
Facility safety	<ul style="list-style-type: none"> <li>Effluents and Waste</li> <li>Occupational Health and Safety</li> <li>Local Communities</li> </ul>	Symrise AG and its consolidated subsidiaries	Neighboring communities (worldwide)
Animal welfare	<ul style="list-style-type: none"> <li>Animal Welfare</li> </ul>	Symrise AG and its consolidated subsidiaries	NGOs, customers, consumers, suppliers
Compliance with human rights	<ul style="list-style-type: none"> <li>Human Rights Assessment</li> <li>Non-discrimination</li> <li>Freedom of Association and Collective Bargaining</li> <li>Child Labor</li> <li>Forced or Compulsory Labor</li> <li>Rights of Indigenous Peoples</li> </ul>	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Biodiversity	<ul style="list-style-type: none"> <li>Biodiversity</li> </ul>	Symrise AG and its consolidated subsidiaries	Neighboring communities (worldwide)
Occupational health and safety	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> </ul>	Symrise AG and its consolidated subsidiaries	
Compliance	<ul style="list-style-type: none"> <li>Compliance</li> <li>Non-discrimination</li> <li>Anti-corruption</li> </ul>	Symrise AG and its consolidated subsidiaries	NGOs, customers, consumers, suppliers
Transparency and credibility	<ul style="list-style-type: none"> <li>Anti-competitive Behavior</li> <li>All reported topics</li> </ul>	Symrise AG and its consolidated subsidiaries	
Sustainable agriculture and aquaculture	<ul style="list-style-type: none"> <li>Procurement Practices</li> <li>Biodiversity</li> <li>Supplier Environmental Assessment</li> </ul>	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Water	<ul style="list-style-type: none"> <li>Water and Effluents</li> <li>Effluents and Waste</li> </ul>	Symrise AG and its consolidated subsidiaries	
<b>Medium materiality (reported “in accordance” with the GRI core option)</b>			
Sustainable forestry (forest)	<ul style="list-style-type: none"> <li>Procurement Practices</li> <li>Biodiversity</li> <li>Supplier environmental assessment</li> </ul>	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Employee development and advancement	<ul style="list-style-type: none"> <li>Training and Education</li> </ul>	Symrise AG and its consolidated subsidiaries	
Employer attractiveness	<ul style="list-style-type: none"> <li>Market Presence</li> <li>Employment</li> </ul>	Symrise AG and its consolidated subsidiaries	
Reducing noise and odor emissions	<ul style="list-style-type: none"> <li>Emissions</li> </ul>	Symrise AG and its consolidated subsidiaries	Neighboring communities (worldwide)
Using renewable raw materials	<ul style="list-style-type: none"> <li>Materials</li> </ul>	Symrise AG and its consolidated subsidiaries	Suppliers (global)
Partnerships		Symrise AG and its consolidated subsidiaries	NGOs, customers

**GRI 102-48: Restatements of information ✓**

None

**GRI 102-49: Changes in reporting ✓**

See [102-46](#).

**GRI 102-50: Reporting period ✓**

January 1, 2018 – December 31, 2018

**GRI 102-51: Date of most recent report ✓**

March 14, 2018

**GRI 102-52: Reporting cycle ✓**

We have reported on our sustainability activities annually since 2006.

**GRI 102-53: Contact point for questions regarding the report ✓**

Friedrich-Wilhelm Micus

Sustainability Communications

Phone: + 49 (0) 5531-90-13 63

E-Mail: [friedrich-wilhelm.micus\(at\)symrise.com](mailto:friedrich-wilhelm.micus(at)symrise.com)

**GRI 102-54: Claims of reporting in accordance with the GRI Standards ✓**

This report has been prepared in accordance with the GRI Standards: Comprehensive option.

**GRI 102-55: GRI content index ✓**

This Sustainability Record reflects the content of the GRI content index. We follow the guidelines of the Global Reporting Initiative (GRI) from the version "GRI Standards" (2016), including new updates on water and effluents (303, 2018) and occupational health and safety (403, 2018).

**GRI 102-56: External assurance ✓**

For the fifth 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 ✓.

## TOPIC-SPECIFIC STANDARDS

### GRI 200 – ECONOMIC

#### **GRI 201: ECONOMIC PERFORMANCE 2016**

#### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

Strong economic performance is a key prerequisite for our future viability for ourselves, our customers and our investors. It enables us to make investments in new technologies and growth markets as well as in a wide variety of sustainability projects – ranging from the expansion of our approach to responsible sourcing to innovative and sustainable project solutions.

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.

With our products, we provide flavor and fragrance experiences that contribute to health and well-being. Our flavors, substances, perfume oils and sensory solutions are often central functional components for our customers' end products. The challenge is to develop products that meet the various demands and expectations of our customer base and, at the same time, are capable of generating long-lasting added value for our customers and society as a whole. In the process we actively support the achievement of the goals of health and well-being (SDG 3), sustainable consumption (SDG 12) and climate protection (SDG 13).

Symrise's three segments each manage their own research and development (R&D) activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to all segments in order to achieve synergies. Multiple R&D centers around the world ensure that the regional activities of the segments are optimally supported.

Our R&D strategy aims to connect the individual components of product development, such as market and consumer research, R&D and creation, throughout the Group. All research activities consider relevant customer, market and sustainability aspects. Through the close linkup of R&D with marketing and business units, purchasing and manufacturing, product development, quality assurance and regulatory issues, we check early on to see whether new products and technologies can be implemented and if they are profitable in addition to assessing their sustainability aspects.

Innovative and sustainable solutions for products are something we can achieve by focusing on green chemistry, natural raw materials, efficient use of resources in production, progressive technology and intelligent networking. We create a customized sustainability concept for each strategic product group. With our product sustainability scorecard, we can capture the impact of each individual ingredient of our products along the value chain. As a result, we enable our customers to select the most environmentally friendly path compared with available alternatives.

The proportion of natural raw materials in our portfolio has grown further, in particular from our acquisition of Diana. We are, however, not pursuing a complete changeover to natural raw materials. In many cases, this would have complex social and ecological repercussions. For one thing, producing synthetic ingredients generally requires less energy and water than growing, harvesting and transporting their natural equivalents. And, furthermore, the enhanced use of natural raw materials often results in competition with food production for farmland and results in a situation where monocultures pose a threat to biodiversity. Taking menthol as an example, the synthetic variant (in use at Symrise for over 30 years) has a CO<sub>2</sub> footprint some ten times below the level of menthol derived from peppermint itself.

### **GRI 201-1: Direct economic value generated and distributed ✓**

A complete description can be found in the Financial Report 2018:

- [Financial Report \(Overview of the 2018 fiscal year, page 5\)](#)
- [Financial Report \(Notes, pages 60 seqq.\)](#)

### **GRI 201-2: Financial implications and other risks and opportunities due to climate change ✓**

Our Corporate Sustainability department regularly measures climate-related risks throughout the company. Risk management with regard to the risks and opportunities of climate change is reviewed by the Executive Board and the Supervisory Board every six months. Process-related risks, such as strategy, finance, supply chain, regulatory, innovation, sourcing, compliance, law, etc., are linked to market-related risks, such as trade/market, business/commercial and finance. The aim of this process is to identify and measure significant risks to ensure the positive business development of the Symrise Group.

All risks, including climate-related risks, are identified and evaluated at the regional level with the help of regional experts. They cover the entire range of climate-related issues (transitional and physical issues). Risks are assessed on a gross risk basis. Gross risk is defined as risk without mitigation controls. The risks are analyzed according to the criteria “EBIT effect” and “probability.”

The main criteria for setting priorities with regard to climate change-related opportunities are new business opportunities that address climate change through new technologies and products, which lead to possible new sales, selling points and an improved reputation. Opportunities typically require investments in facilities, R&D or M&A. To make each investment decision, we consider alignment with our business strategy (e.g., the strengthening of our core business), financial performance indicators like ROIs and the impact of our business on sustainability.

Our multidisciplinary, Group-wide risk management with regard to the risks and opportunities of climate change is reviewed by the Executive Board and the Supervisory Board every six months.

#### **Risk example**

Madagascar supplies 80 % of vanilla used worldwide. The tropical cyclone Enawo hit Madagascar in 2017, damaging thousands of vanilla plants, which led to a worldwide price increase. The price for vanilla beans reached a record high of more than USD 600/kg. We assess this risk by multiplying the volume of vanilla purchased by an estimated price of even USD 900/kg. To estimate our total exposure, we must add the potential climate-related cost effects for all fruit exposed to such effects, calculated from purchasing amounts multiplied by an estimated price increase. This leads to an estimate of approximately € 50 million for our “raw material costs from climate risk.” You can find more information about our involvement in Madagascar [here](#).

#### **Opportunity example**

Currently 20 % of our sales are attributed to customers who are explicitly concerned about climate issues and ask us to participate in the CDP supply chain. This amounts to approximately € 600 million. Average sales growth of about 6 % is expected. In order to support the strategy of our customers, we must obtain access to their core lists, which also include sustainability criteria as minimum requirements. We assume that our efforts to meet these requirements will lead to a sales increase of 1.5 %. This will result in a total growth rate of 7.5 %, which will bring sales growth with climate-sensitive customers of about € 45 million.

You can find a more detailed description of our approach and additional information on risks and opportunities in our response to the CDP climate change questionnaire under C2. Risks and opportunities at [www.cdp.net](http://www.cdp.net)

Since 2018, Symrise has also been one of the 513 companies all over the world that supports the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). You can find a brief description of our activities in this area in the 2018 Corporate Report on p. 97.

### **GRI 201-3: Defined benefit plan obligations and other retirement plans ✓**

For details see Financial Report pages [49ff et seqq. \(Remuneration Report\)](#) and [pages 84 and 107 et seqq. \(Consolidated Financial Statements\)](#).

### **GRI 201-4: Financial assistance received from government ✓**

In total, Symrise received about € 13 million in subsidies, including in France, in 2018. You can find additional information in the Financial Report on page 94.

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.

## **GRI 202: MARKET PRESENCE 2016**

### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

To be successful in our business and to recruit employees for our business, we need to be accepted by the respective local societies in which we operate.

We earn our position as a preferred employer through our sustainable human resources policy focused on the employee and our respective local communities (the employer of choice strategy). Our policy is to offer local workers attractive training, career and advancement opportunities, fair and appropriate remuneration and a social welfare policy (see [202-1](#)). Our employee engagement survey, which was conducted in 2016, confirmed the relevance that we place on being an attractive employer. We conducted the questionnaire in our largest 10 countries with the participation of 5,400 employees. The results are evaluated globally and regionally and are supplemented by regional benchmark data in order to accommodate different feedback cultures.

Some 90 % of participants in our survey provided feedback that they were at least satisfied, largely even very and extremely satisfied with their work situation. 95 % would reapply at Symrise at any time or recommend Symrise as an employer to others. 81 % identify strongly or very strongly with our company. About 90 % have a high opinion of Symrise's competitive position and thereby the future viability of their employer. We repeat this employee engagement survey every 3–4 years. In 2018, we conducted a focused survey within the Fragrance organization (see 103-1, 103-2, 103-3).

Through various recruitment marketing activities at local schools or university job fairs in our extended geographic region, we promote ourselves as an employer and succeed in signing on well-qualified young people. For example, two respected German business newspapers recognized Symrise as the best instructor in 2018.

### **GRI 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. The wages are based on the wage agreements concluded for the chemical industry and are significantly above the statutory minimum.

Symrise pays its employees on the basis of collective wage agreements concluded with the responsible labor unions in each country. Each initial classification to a tariff wage or subsequent wage increase is subject to review by the works council. Through this double-checking (Human Resources department and works council), we make sure that gender plays no role in determining remuneration. In 2018, we carried out a gender-specific analysis of the wages for male and female employees at our major sites. The example of our site in Germany, which has the most employees, shows that the average remuneration of women does not significantly deviate from the average remuneration of men in the respective collective bargaining or non-collective bargaining pay categories (statistically insignificant differences of < 2 %).

As part of this analysis, we adjusted the results to account for the personal decision of each employee to work part time and thereby to earn less than a full-time employee.

In the cases that men are paid more than women in individual collective wage groups, the reason for this discrepancy is that we have nearly no women in production so they do not receive production-specific components of remuneration. These production-specific components of remuneration, such as hardship allowances and paid washing times or activity-related wages including foremen's or shift supervisor's allowances, are thereby legitimate causes of different levels of remuneration. Traditional career models and roles therefore lead to different levels of remuneration.

As a result, overall entry-level remuneration is based on the qualifications of a new employee and the functional significance of their activities for our company. 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.

**GRI 202-2: Proportion of senior management hired from the local community ✓**

We are convinced that we can find well-qualified employees in any country in which we operate in order to move our local business forward. We trust in the local, country-specific professional training and expertise.

The vast majority of our employees and managers, including our senior management, comes from the respective country of each Symrise location around the world. 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. In addition, we employ expatriates for the primary purpose of ensuring know-how transfer from the central research and development units.

We define senior management as our regional presidents and those managers who lead the respective legal entities in various countries. Our senior management works at the regional head office. 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.

**GRI 204: PROCUREMENT PRACTICES 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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 procure all our raw materials from sustainable and responsible sources and to do this in accordance with the Sustainable Development Goals formulated by the United Nations. Due to the high complexity that results from numerous material flows in our raw materials portfolio, our sites face numerous challenges that must be mastered for us to achieve our sourcing goals. These challenges include, for instance, closing information gaps regarding the origin of raw materials as well as providing details that are relevant to the sustainability of production and the processing of raw materials. This information is indispensable in order to analyze performance in the area of sustainability.

We ensure that suppliers also comply with our comprehensive sustainability standards through systematic supplier management and compliance with our responsible sourcing policy. This means that new suppliers must provide information about their sustainability program and the assumption of ecological and social responsibility along their supply chain.

We require the protection of general human rights, the commitment to not engage in any child or forced labor of any type and compliance with statutory requirements for safeguarding health and safety in the workplace. Furthermore, we expect our suppliers to allow their employees the right to freedom of association 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 that our suppliers conserve resources, reduce and avoid air emissions, ground emissions and wastewater, commit themselves to the preservation and sustainable use of biological diversity and avoid environmental risks effectively.

These standards constitute part of our Group-wide risk management system. In this connection, we conduct risk and performance evaluations of suppliers from economic, ecological and social perspectives.

We assess the sustainability performance criteria of raw materials and products using a sustainability scorecard system developed specially for this purpose. This scorecard system offers internal and external stakeholders better guidance for decision-making in order to improve 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 influence 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 enables us to support local socioeconomic structures and maximize our ability to monitor and improve compliance with our ethical and ecological principles (see also management approaches to the supplier environmental assessment, child labor, forced or compulsory labor, human rights assessment and supplier social screening).

Symrise obtains the majority of one of its main raw materials, the onion, from farmers within 50 kilometers of the plants where the vegetables are processed. This applies both to Germany and France, where the main production sites are located. Purchasing the onions from the region ensures low transport and energy costs. At the same time, it makes joint development work easier: Symrise works with consulting organizations such as the Hanover Chamber of Agriculture, universities and also with the producers and suppliers to make the products even better.

#### **GRI 204-1: Proportion of spending on local suppliers ✓**

During the reporting period, in terms of volume, 89.8 % 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.

#### **GRI FP1: Percentage of purchased volume from suppliers compliant with company's sourcing policy ✓**

In 2018, 90 % of our main suppliers – based on procurement volume – were rated according to sustainability criteria (SEDEX, SMETA 4 Pillar/ Maplecroft). We are not aware of any violations of our supplier code.

#### **GRI FP2: Percentage of purchased volume which is verified as being in accordance with credible, internationally recognized responsible production 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 mid-2016, we converted to the exclusive use of 100 % RSPO “Mass Balance”-certified palm oil. Until the end of 2018, we worked with our strategic suppliers on implementing fully responsible 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 2017, we reported that 63 % of primary PO derivatives come from Mass Balance-certified sources. In the interim, numerous recipes have been converted to palm oil-free or certified quality.

Current status: More than 50 % of primary and more than 68 % of secondary PO derivatives come from certified sustainable sources.

### **GRI 205: ANTI-CORRUPTION 2016**

#### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

We do not tolerate any form of corruption in our company. Accepting or 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 or 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 whistleblowers are not prosecuted. Misconduct is consistently prosecuted in accordance with the applicable national laws.

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

In order to ensure compliance with all compliance requirements on an ongoing basis, the need for training is regularly identified and suitable training courses are held in both the areas of “Technical Compliance” and “Legal Compliance.” 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. Subsequent tests confirm not only that a training course has been completed, but that its content has also been understood.

In addition to the requirements of their position, new Symrise employees are given comprehensive training when they join the company on the fundamental principles of our Code of Conduct. All employees then take part in rolling training courses based on predefined schedules. Depending on whether they are basic, refresher or specialized training courses, these schedules cover a period of between one and three years.

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

There were no confirmed cases of corruption at Symrise in 2018.

**GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

For Symrise, transparency and credibility are the basis for a reliable and constructive relationship with the company’s key stakeholders: employees and colleagues, customers and suppliers, shareholders and investors, neighbors and society, national and local governments as well as government agencies, the media and the concerned public. In order to ensure uniform and exemplary actions and conduct, we continue to adhere to the Code of Conduct, which was introduced in 2006 and fundamentally revised in 2016. This Code of Conduct applies to the Executive Board and the Supervisory Board and to all Symrise employees in Germany and abroad, i.e., to managers and all employees in the Group equally. The Code of Conduct – a binding fundamental principle – defines minimum standards and sets out behavior enabling all employees to cooperate in meeting these standards. The purpose of the Code of Conduct is to help all employees cope with the ethical and legal challenges of their everyday work and provide them with guidance in conflict situations. 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.

**GRI 206-1: Legal actions for anti-competitive behavior, anti-trust, and monopoly practices ✓**

There were no cases involving anti-competitive behavior at Symrise in 2018.

## GRI 300 – ENVIRONMENTAL

### **GRI 301: MATERIALS 2016**

#### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

The impact of our activities on the environment range from the sourcing and processing of raw materials to product development, production and logistics. On the one hand, we use natural resources in the form of raw materials and energy sources for our manufacturing processes. On the other hand, the contamination of air, soil and water may result from our business activities. Therefore, sustainable development goals are established within the framework of SDG 12 that respect the natural limits of the planet.

Within our environmental management system, we evaluate the entire value chain. At every site, a senior manager is responsible for environmental management. The goal is to avoid or reduce the impact of our activities, products and services on the environment through a site-specific environmental program that complies with national and local legal regulations and provisions.

Our goal is to conserve resources, consistently avoid or minimize harmful effects on the environment and prevent risks. Our production sites with the greatest 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. In addition, the SEDEX platform or the SMETA 4-pillar requirements are adopted as the minimum standard and regularly reviewed by external auditors. In order to obtain a deeper understanding of our energy consumption, an energy audit was conducted at all European sites in accordance with EN 16247. All German sites have an ISO 50001-certified energy management system.

The efficient use of raw materials is also the focus of the continuous refinement of our manufacturing processes. This includes, for example, the development of our own technical solutions, such as our patented SymTrap® process. With this process, we can completely extract active taste components from the byproducts of raw materials processing – and thereby achieve a maximum yield from raw materials while simultaneously conserving energy.

The increase in efficiency not only has a positive impact on the environment, but also reduces expenses and shows our Symchronize® initiative in action. In collaboration with our customers, we have developed this integrated supply chain management system, which helps to identify fields of action and topics with the potential not only to reduce the consumption of energy, water and resources but also our emissions. Within the framework of our Total Productive Maintenance program, we involve our employees in a targeted manner and learn from their proposals.

#### **GRI 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 intermediate products, meaning aromatic compounds and active ingredients, as well as carriers such as ethanol.

We are purchasing an increasing amount 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 mid-2016, we converted to exclusively using palm oil certified as 100 % RSPO “Mass Balance.” From then until the end of 2018, we worked with our strategic suppliers on implementing fully sustainable sourcing for our primary palm oil derivatives and switching to materials that are made from 100 % RSPO “Mass Balance”-certified palm oil. We have ourselves the same goal for the sourcing of secondary palm oil derivatives by the end of 2020.

#### **Omissions**

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

**GRI 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.

**GRI 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.

**GRI 302: ENERGY 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

In order to produce our products, both we and our suppliers require a sufficient supply of energy, which is of course connected with CO<sub>2</sub> 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 CO<sub>2</sub> 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 CO<sub>2</sub> 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 2018, we focused on decoupling our dynamic growth in various business units from their possible environmental impacts. We further optimized our energy balance in key areas through additional measures and building upon our energy aspect analysis, while placing a stronger focus on reducing emissions as part of Total Productive Maintenance.

Symrise treats CO<sub>2</sub> emissions (Scope 1 and 2) as an important internal control quantity in our company's 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 CDP independent investor initiative.

In the reporting period, Symrise also once again made an impressive showing in the CDP (formerly Carbon Disclosure Project) rating. Despite considerably higher requirements for CDP rating participants, Symrise ranked once again at the very top in the categories climate and forests with the rating of "A-". With the very good rating of "B", we also reached a position ahead of other wellknown companies in the category water. Until August 2017, Symrise was the only company in the industry whose climate strategy was approved by the Science Based Targets initiative. Symrise thereby pledges to reduce its total greenhouse gas emissions by 17.5 percent by 2030. In addition, Symrise wants to ensure that suppliers who provide at least 80 percent of the entire purchasing volume of raw materials commit to their own climate targets and reduction measures. In doing so, Symrise is a role model in terms of climate protection in Germany and is acting in accordance with the resolutions of the UN Climate Conferences COP 21 in Paris and COP 22 in Marrakesh (see also [201-2](#)).

**GRI 302-1: Energy consumption within the organization ✓****OVERALL ENERGY CONSUMPTION BY ENERGY SOURCE**

Type of energy	Amount in TJ		
	2016	2017	2018
Steam	152	162	176
Gas	2,429	2,658	3,179
Fuel	744	1,375	1,272
Electricity in total	809	743	786
Share of nuclear	128	106	105
Share of renewables	105	83	96
Share of nonrenewables	572	554	584
<b>Total</b>	<b>4,939</b>	<b>4,938</b>	<b>5,413</b>

**GRI 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 separately disclosed in these figures for 2018. Instead, CO<sub>2</sub> emissions are considered authoritative for this because Symrise uses these as control quantities (see [305-3](#)).

**GRI 302-3: Energy intensity ✓**

The energy consumption per € million added value amounted to 4.8 TJ in 2018.

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

In 2018, energy consumption per € million of added value increased by 7.15 % compared to the previous year.

**GRI 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, CO<sub>2</sub> 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 over 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 2,000 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 and aquacultural based products. At the same time, we are successfully working on integrating suitable byproducts from agricultural, aquacultural 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.

**GRI 303: WATER AND EFFLUENTS 2018**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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. In the reporting period, Symrise again achieved an impressive CDP (formerly Carbon Disclosure Project) rating. Despite considerably higher requirements for CDP Rating participants, Symrise once again this year reached a position well ahead of other well-known companies in the category water, with the very good rating of B.

In 2017, we began working with the CDP Supply Chain Program. Our suppliers with the highest risk status were requested to follow the CDP Supply Chain Program. Since the 2017 program was viewed as a pilot, we are now requesting that suppliers renew their participation in 2019 with increased data quality and detailed information, as was done in the previous year.

The total amount of water recycled and reused by Symrise was very low in 2018.

**GRI 303-1: Interactions with water as a shared resource ✓**

We are aware that water is a scarce resource in many regions and that this situation will intensify in the future, for example, in Mexico, parts of South Africa or on the Indian subcontinent. In these countries first and foremost, we will make sure that our water consumption and our wastewater do not harm this valuable resource.

We are not aware of any material impact on water quality or water availability resulting from water withdrawal or the disposal of wastewater at other production facilities around the world.

As a member of the World Business Council on Sustainable Development, Symrise supports the CEO Water Mandate in order to promote conservation and sustainable use of freshwater resources at our direct operations and along our value chains.

**According to our Water Policy Symrise commits to the following:**

1. Ensure compliance with water relevant legislation and voluntary standards in the countries where we operate
2. Use freshwater resources sustainably taking into account regeneration rates of local water bodies and sources Symrise collectively uses together with other parties
3. Regularly analyze, monitor, control and sustainably manage water quality and quantity of extractions and discharges
4. Increase awareness among our customers, suppliers and other stakeholders on the critical importance of water to sustainable development and corporate success
5. Integrate water related performance criteria in our supplier assessments
6. Inform clients about the water performance of the compounds and ingredients they purchase from Symrise
7. Promote multi-stakeholder collaborative action on water stewardship
8. Conduct regular water risk assessments of our operations and value chains
9. Improve water efficiency at all manufacturing sites located in areas of high water stress in line with local water availability for human and ecological needs
10. Provide fully functioning WASH-services to every employee and visitor to our company
11. Promote sustainable innovations along our value chains that help to sustain freshwater resources and protect water quality as well as aquatic living environments

**Accordingly, we have set the following goal for ourselves for 2025:**

- Increase the efficiency of water consumption at all production sites in arid regions by 15 % (2018–2025).

**GRI 303-2: Management of water discharge-related impacts ✓**

Since 2010, we have pursued the goal of continuously reducing the chemical oxygen demand (COD) in our wastewater. By 2025, we would like to increase in the efficiency of the chemical oxygen demand in wastewater by 4 % annually or by a total of 60 % compared to the base year 2010.

Every site around the world follows the local limits of their respective country and measures COD around the clock, every day of the week. At our site in Holzminden, the authorities also administer unannounced spot tests, supplementing our measurements, so that there is never any violation of the German Direct Discharge Regulation. Tests are also conducted by authorities in other countries. We are not aware of any significant violations.

**GRI 303-3: Water withdrawal ✓**

**TOTAL WATER WITHDRAWAL BY SOURCE**

Source	Amount (in 1,000 m³)		
	2016	2017	2018
Surface water	839	825	761
Municipal water	1,347	1,676	1,689
Groundwater	2,381	2,554	2,880
Other	44	19	15
<b>Total</b>	<b>4,612</b>	<b>5,074</b>	<b>5,345</b>

**GRI 303-4: Water discharge ✓**

**WATER RECIRCULATION BY DESTINATION**

Water Recirculation by Destination	Amount (in 1,000 m³)		
	2016	2017	2018
Surface water	2,423	3,279	3,372
Groundwater	0	0	0
Seawater	0	0	0
<b>Total</b>	<b>2,423</b>	<b>3,279</b>	<b>3,372</b>

**WATER RECIRCULATION BY QUALITY 2018**

Water Recirculation by Quality	Amount (in 1,000 m³)
Freshwater in all areas	ca. 3,372
Of which in areas with water stress	315
Other water all areas	0
Of which in areas with water stress	0
<b>Total</b>	<b>ca. 3,372</b>

We measure important substances of concern based on the chemical oxygen demand in water (see 303-2). The identification of areas with water stress occurred as part of the risk analysis we carried out in 2018. The classification of areas with water stress is based on the Verisk Maplecroft risk assessment. In 2018, this affects our sites in Mexico, India, Singapore and Egypt.

**GRI 303-5: Water consumption ✓**

**WATER CONSUMPTION IN AREAS WITH WATER STRESS 2018**

	Amount (in 1,000 m³)
Total water consumption in all areas	5,345
Of which water consumption in areas with water stress	386

The identification of areas with water stress occurred as part of the risk analysis we carried out in 2018. The classification of areas with water stress is based on the Verisk Maplecroft risk assessment. In 2018, this affects our sites in Mexico, India, Singapore and Egypt.

**GRI 304: BIODIVERSITY 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

For Symrise, the global diversity of species is an invaluable source of inspiration and innovation for the development of unique flavors, fragrances and cosmetic or functional ingredients. However, the global and local impact of human activities has led to a sustained worldwide reduction in biological diversity. The potential effects of this are systematically analyzed and evaluated as part of our sustainability management. The material impact of our business activities on biodiversity is indirect and occurs in the supply chain – particularly during raw materials production. This potentially includes instances where our suppliers deplete natural populations or employ methods of cultivation or aquaculture that are not sustainable for soil and forestry. Impacts from our own production sites, for example, occur through sealing the soil or emitting pollutants into the air or soil, which we monitor as part of our operational environmental and site management. Within the framework of SDGs 14 and 15, specific expectations have been established for the company.

Depending on the specific topic, biodiversity is managed and addressed at Symrise partly at the corporate level and partly at the division level in conjunction with Corporate Sustainability. The Chief Executive Officer is directly briefed on biodiversity several times per year. As core goals of the UN Convention on Biodiversity, the preservation and sustainable use of biodiversity and fair distribution of advantages from the use of genetic resources are essential components of our sustainability strategy and our environmental and sustainability management. By signing the “Business and Biodiversity Pledge” of the UN Convention on Biodiversity, we have committed ourselves to acting sustainably in accordance with the core goals of the Convention. In the implementation of our biodiversity goals, we work closely with skilled external stakeholders, such as the Biodiversity in Good Company Initiative or the Union for Ethical Biobased Trade.

The most important lever of our company for protecting biodiversity and encouraging its sustainable use is environmental and ethically sustainable cultivation and sourcing practices. As part of our targeted intervention projects, such as in the Amazon region or in Madagascar, we strive to preserve biodiversity directly, for example, through reforestation projects or the introduction of sustainable cultivation methods for biobased raw materials from agriculture and forestry. We make effective contributions to biodiversity-friendly supply chains through the targeted application of sustainability standards and certifications that explicitly account for the preservation and sustainable use of biodiversity (e.g., the Rainforest Alliance, Sustainable Agriculture Initiative Farm Sustainability Assessment, UEBT Ethical Biobased Trade Standard, etc.).

Symrise assesses 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 from which we derive our strategic raw materials could be endangered. 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. Our suppliers are enjoined to consistently avoid or minimize any potential negative impacts on biodiversity.

**GRI 304-1: Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside 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, France, (Diana Food) and Beresfield, Australia (Diana Pet Food).

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

Direct negative impact on biodiversity can arise from the activities of Symrise AG 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 our suppliers' generation of raw materials. This potentially includes instances where our suppliers deplete natural populations or terrestrial, forest and marine ecosystems through unsustainable cultivation methods for soil, forests or aquacultures. In accordance with our sourcing guidelines, our suppliers are enjoined to consistently avoid or minimize any potential negative impacts on biodiversity.

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 to find indications of possible biodiversity risks in our supply chains.

**GRI 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, within local ecological boundaries. 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 cultivation methods, such as with vanilla.

**GRI 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 in small volumes at Symrise AG that are obtained from threatened species (according to the IUCN Red List and CITES definitions). Through corresponding sustainability verifications, strict use controls, efficient production processes and, last but not least, the development of suitable raw material alternatives, we concentrate on avoiding and minimizing negative biodiversity impacts on endangered species and natural populations.

Symrise cannot directly monitor changes in individual species or the ecological condition of those ecosystems that our suppliers deem relevant for generating raw materials.

**GRI 305: EMISSIONS 2016****GRI 103: GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

Like other manufacturing companies, Symrise generates direct and indirect greenhouse gas emissions that result in increases in the earth's average temperature. This has far-reaching consequences for humans and nature: areas that are being desertified, an increase in floods as well as resulting famines and refugee movements. For Symrise, climate change is leading to rising energy and raw material prices as well as climate-related costs, for example, through emissions trading. Reputational damage could also result in the loss of business and a drop in our share price. Climate change simultaneously offers opportunities, for example, through the increased use of efficient technologies that also result in cost savings. Given the urgency of the climate dilemma, SDG 13 requires prompt measures for climate protection.

Corporate Sustainability, supported by the Sustainability Board, is responsible for the topic of emissions reduction. The Sustainability Board meets several times per year to discuss, assess and report on climate-related data and developments. The goals and programs are determined by the Sustainability Board and finally approved by the CEO. The Risk Management department assesses company-specific risks and rewards related to climate change at least once a year and reports the findings to the Executive Board.

The reduction of climate-damaging emissions is part of our environmental strategy and our environmental management (see resource conservation and excellence in the supply chain). We demonstrate our progress regarding emission reduction in a number of ways, including annual participation in the CDP independent investor initiative. Symrise compiles the CO<sub>2</sub> emissions of its operating activities according to the internationally recognized Greenhouse Gas (GHG) Protocol Corporate Standard. We report on them according to direct emissions (Scope 1), energy-indirect emissions (Scope 2), and other indirect emissions (Scope 3).

By 2025, as part of the Science Based Target Initiative, we have set ourselves the target of reducing our greenhouse gas emissions by 50 % in terms of value added compared with the base year 2016. We also require our suppliers, who supply raw materials accounting for at least 80 % of our total purchasing volume, to commit to their own climate targets and reduction measures by 2020. We ultimately want to be climate-positive by 2050 – among other things, by purchasing environmentally friendly energy sources and supplying surplus energy to local communities.

Along with ongoing measures of our local Total Productive Maintenance teams, which continuously replace energy-intensive consumer equipment like motors and ventilation or heating systems with more efficient alternatives, we reduce our CO<sub>2</sub> emissions related to energy generation by about 35 % annually, particularly through our new cogeneration plant at the Holzminden site. In addition, we converted all of the electricity we purchase in Germany to green power in 2018.

**GRI 305-1: Direct (Scope 1) GHG emissions ✓**

**SCOPE 1 EMISSIONS**

Category	Category		
	2016	2017	2018
CO <sub>2</sub> Scope 1	194,358	204,369	217,828

**GRI 305-2: Energy indirect (Scope 2) GHG emissions ✓**

**SCOPE 2 EMISSIONS**

Category	Amount (in t)		
	2016	2017	2018
CO <sub>2</sub> Scope 2	130,952	116,066	100,066

**GRI 305-3: Other indirect (Scope 3) GHG emissions ✓**

**SCOPE 3 EMISSIONS**

Category	Amount (in t)		
	2016	2017	2018
CO <sub>2</sub> Scope 3	2,722,286	2,383,146	2,120,475

Scope 3 Categories	Share		
	2016	2017	2018
Transport sales	1 %	2 %	0.4 %
Transport sales via air	3 %	3 %	5 %
Transport supplier	1 %	2 %	0.3 %
Business travel (train, plane, car)	0 %	0.4 %	0.4 %
Commuting	1 %	0.4 %	0.5 %
External waste disposal	1 %	0.6 %	2 %
Raw materials	88 %	92 %	91 %

Small differences in the totals may be present due to rounding.

#### GRI 305-4: GHG emissions intensity ✓

The intensity of direct and energy-indirect greenhouse gas (Scopes 1 and 2) emissions per € million in value added totaled 283.8 tons in 2018.

#### GRI 305-5: Reduction of GHG emissions ✓

In 2018, we were able to increase eco-efficiency related to greenhouse gas emissions (Scope 1 and 2) per € million in added value by 3 % over the previous year.

#### GRI 305-6: Emissions of ozone-depleting substances (ODS) ✓

Since 2013, we have 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.

#### GRI 305-7: Nitrogen oxides (NO<sub>x</sub>), sulfur oxides (SO<sub>x</sub>), 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

CH<sub>4</sub> ca. 35.6 t/year

N<sub>2</sub>O ca. 3.3 t/year

### GRI 306: EFFLUENTS AND WASTE 2016

#### GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓

The impact of our activities on the environment range from the extraction and processing of raw materials to product development, production and logistics. On the one hand, we need natural resources in the form of raw materials and energy sources for our manufacturing processes. On the other hand, the contamination of air, soil and water may result from our business activities. Therefore, sustainable development goals are established within the framework of SDG 12 that respect the natural limits of the planet.

Within our environmental management system, we evaluate the entire value chain. At every site, a senior manager is responsible for environmental management. The goal is to avoid or reduce the impact of the activities, products and services on the environment through a site-specific environmental program that complies with national and local legal regulations and provisions.

Our goal is to conserve resources, consistently avoid or minimize the harmful effects on the environment, and prevent risks. 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 or based on this standard. 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.

The efficient use of raw materials is also the focus of the continuous refinement of our manufacturing processes. 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 byproducts of raw material processing – thereby achieving a maximum resource yield that simultaneously saves energy.

Enhanced efficiency not only has environmental implications but 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. Within the framework of our Total Productive Maintenance program, we involve our employees in a targeted manner and learn from their proposals.

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

**TOTAL WASTEWATER VOLUME BY DESTINATION**

Wastewater by destination	Amount (in 1,000 m³)		
	2016	2017	2018
Removal by truck	49	122	120
Specified disposal point	2,374	3,157	3,252
Undefined disposal	379	15	16
<b>Total</b>	<b>2,802</b>	<b>3,294</b>	<b>3,388</b>

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

**TOTAL WASTE VOLUME: HAZARDOUS AND NONHAZARDOUS WASTE**

Type	Amount (in t)		
	2016	2017	2018
Hazardous waste	14,708	15,691	16,163
Nonhazardous waste	38,444	49,145	50,794

**TOTAL WASTE VOLUME BY DISPOSAL METHOD**

Disposal Method	Amount (in t)		
	2016	2017	2018
Composting	482	796	1,064
Incineration	14,081	13,167	13,287
Recycling	5,426	13,375	12,577
Chemical-physical treatment	2,389	3,315	3,483
Wastewater processing	3,913	6,514	7,754
Biogas plant	3,347	4,346	8,140
Landfill	18,214	21,379	20,543
Other waste processing	5,299	1,944	109
<b>Total</b>	<b>53,152</b>	<b>64,836</b>	<b>66,957</b>

**GRI 306-3: Significant spills ✓**

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

**GRI 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.

**GRI 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.

**GRI 307: ENVIRONMENTAL COMPLIANCE 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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 or based on this standard. 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.

**GRI 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.

**GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

For our portfolio of approximately 30,000 products, we use some 10,000 different natural and synthetic raw materials sourced from over 100 countries. As a result, we face an array of challenges ranging from negative environmental effects from the sourcing of raw materials to protecting social standards in countries that experience, to some degree, problematic sociopolitical conditions. The reasons for this are not least because of inadequate transparency, the high level of complexity of material flows and the different objectives of the parties involved along the value chain. As a result of measures for responsible sourcing, we can contribute to the achievement of sustainable production patterns (SDG 12) as well as to the preservation of ecosystems (SDG 15).

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 our segments Scent & Care, Flavor and Nutrition. This way we can manage purchasing processes in a more targeted manner and continually optimize the supply chain.

Our long-term goal is to source all our raw materials in a sustainable manner. In 2016, we developed a new Symrise sourcing policy that applies across the Group. By providing a comprehensive description of our goals, aspirations and tools, it serves primarily as a reference document for suppliers, customers and employees. We have also established specific policies for various raw materials that are exposed to high risks, such as in the case of palm oil.

We cannot solve many of the challenges in the supply chain on our own. Therefore, we increasingly rely on cooperative arrangements within the industry and competitive approaches in which we can work together with other actors on long-term sustainable solutions. These include our memberships in the Roundtable on Sustainable Palm Oil or the Sustainable Spices Initiative.

We can best achieve our goal of responsible sourcing if we can exert direct influence on the upstream stages of our value chain. Therefore, we pursue the goal of strategic backward integration for our key raw materials. As we demonstrated in the case of vanilla production in Madagascar, we can create immediate value for all participants: We are working in a very targeted manner on the improvement and implementation of environmental and social standards through various joint projects, thus ensuring the consistent high quality of raw materials for our customers. With this integrative approach, we support local socioeconomic structures and can directly monitor compliance with our 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.

**GRI 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. 90 % of our main suppliers – based on procurement volume – have already been rated according to sustainability criteria (SEDEX, SMETA 4 Pillar / Maplecroft).

**GRI 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 strongly encouraging our most important suppliers to register with SEDEX and disclose their data there. In total, 90 % of our main suppliers – based on procurement volume – have been rated according to sustainability criteria (SEDEX, SMETA 4 Pillar / Maplecroft).

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 2018, there were no cases of our suppliers causing any notable negative environmental impact.

## GRI 400 – SOCIAL

### **GRI 401: EMPLOYMENT 2016**

#### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

Symrise has defined its human capital strategy, which is part of the company's sustainability strategy under the "Care" pillar, as putting the focus on the employee. Part of the "Care" pillar is the consistent orientation of HR policy on Symrise as a preferred employer (employer-of-choice strategy). In the course of this process, we have focused our HR policy on five main areas:

1. Establishing a flexible, innovative and family-oriented 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, development and talent management
5. Creating a company culture and leadership culture that will increase employee loyalty

This HR policy strives to create an environment for our employees in which they can develop professionally. The goals we have taken on extend from ensuring a safe and healthy work environment with proactive in-house health management to an equitable remuneration policy with a variable, incentive-based component (see the job grade concept including a component geared toward performance).

Like other companies, we also have to tackle the task of positioning ourselves as an appealing company in regard to demographic changes. This includes a high initial training rate of 5.1 % apprentices as a percentage of our German workforce. In order to qualify our next generation of managers, we regularly conduct what we call the "Future Generation Leadership Development Program," most recently held in mid-2018 for 25 participants. Here we pay particular attention to a high participation rate for women (at least 40 % of participants).

In addition, we obtain feedback from our employees on how they assess our organizational structure and its procedures through our regularly administered employee engagement surveys. In 2018, we conducted a worldwide survey of approximately 650 employees within our Fragrance division from all countries in which the division has employees. The special focus was on the reorganization of the division into global business units and the processes between these business units and Sales. The results showed that the employees see a significant need for adjustment in the regional management of the business (visibility of regional management) as well as the strategic orientation of the global business units toward product development (use of crucial resources, such as perfumers and evaluators). The results of the survey were communicated in a transparent and honest manner. We are planning slight adjustments to the organization of this division in early 2019.

We view the participation of employees in corporate development in the form of employee engagement surveys as an important component of participatory management, making us an employer of choice.

#### **GRI 401-1: New employee hires and employee turnover ✓**

The number of employees for the 2018 fiscal year increased by 4.4 % from the end of 2017. This reflects the organic growth of our business as well as the acquisition of the Brazilian company Citratrus with its nearly 100 employees (see the following table).

The global fluctuation rate at Symrise is 5.3 %. At the same time, significant differences can be observed among the individual countries. While in Germany the fluctuation rate amounts to only 2.1 %, it is relatively high in countries like India or China with 8 %, but at the same time also typical for these rapidly developing countries.

**EMPLOYEE TURNOVER BY REGION AND GENDER\***

	2016	2017	2018 absolute	2018
<b>REGION</b>				
Germany	1.1 %	1.6 %	60	2.1 %
EAME (not including Germany)	3.1 %	4.0 %	104	4.9 %
North America	7.4 %	10.2 %	88	7.0 %
Asia/Pacific	8.8 %	7.0 %	142	9.7 %
Latin America	7.4 %	6.1 %	111	6.2 %
<b>Total</b>	<b>4.8 %</b>	<b>5.0 %</b>	<b>505</b>	<b>5.3 %</b>
<b>GERMANY BY GENDER</b>				
Women	0.4 %	0.4 %	19	0.7 %
Men	0.7 %	1.2 %	41	1.4 %
<b>Total</b>	<b>1.1 %</b>	<b>1.6 %</b>	<b>60</b>	<b>2.1 %</b>
<b>WORLDWIDE BY GENDER</b>				
Women	2.3 %	2.1 %	230	2.4 %
Men	2.5 %	2.9 %	275	2.9 %
<b>Total</b>	<b>4.8 %</b>	<b>5.0 %</b>	<b>505</b>	<b>5.3 %</b>

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

**GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

Workplace accidents caused by safety lapses and work-related illnesses, for example, through stress or inadequate ergonomic workplace design, lead to individual strains and may negatively affect the motivation of individual employees or teams. They result in sick days that are expensive for the company, reducing productivity. Therefore, the consistent emphasis of our HR policy on being an employer of choice also includes caring for employee health at the workplace. By doing so, we actively support the achievement of the goals of health and well-being (SDG 3) as well as humane working conditions (SDG 8).

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. All our sites worldwide follow obligatory Corporate Guidelines that contain an approach to the safety of systems, the protection of employees and the environment, which have been coordinated with the Executive Board. 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.

Issues of health and occupational safety are regulated by our Corporate Guidelines and Code of Conduct at Symrise that apply around the globe. In addition, the collective bargaining agreement, which was negotiated with the trade union IG BCE (mining, chemical and energy industrial union) and which applies to Symrise in Germany, contains regulations on workplace design and occupational health and safety. The CBA also governs the cooperation between company management, the works council and the union on matters pertaining to protecting the health of our employees.

We have arranged 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, which includes both management and other employees. 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. In addition, we have a monthly reporting system that indicates the status and performance of our occupational safety efforts. The most frequently occurring types of injuries in 2018 involved twisted ankles, tripping, falling, sprayed liquids and the handling of tools. In order to improve worldwide performance in the area of occupational health and safety, the concept of a zero-accident culture was introduced in 2017. Essential components of this program are special workshops on zero-accident culture for upper and midlevel managers as well as management safety visits for the first and second management level of the entire organization. The conduct of training to increase awareness of occupational safety is a mandatory personal target agreement for managers. In addition, there is a series of legally required annual training courses on health and safety, which is mandatory for every employee. Through these measures, we were able to reduce our accident rate (MAQ\*) from 4.7 in 2017 to 4.1 in 2018. Since we assume that many of our measures will require a longer time horizon to have the desired impact, we have adjusted our original goal of MAQ < 2. We are now striving for a MAQ < 2.5 by 2020, while we would like to reach a MAQ of < 1.5 by 2025.

Our preventative health measures demonstrate our comprehensive approach to helping employees lead healthier lifestyles. Prior to hiring new employees, we conduct medical examinations at our all our sites worldwide and initiate preventative measures such as vaccinations.

We are committed to regular training and continuing education programs on the topic of health, 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 or the offering of massages rounds out these preventative measures. Through our worldwide sensitizing and intervention program "symply healthy," we help our employees take a conscious approach to their health, for example through targeted smoking cessation programs.

### **GRI 403-1: Occupational health and safety management system ✓**

We are aware that work-related illnesses exist at Symrise, such as strains to the back or musculoskeletal system or psychological strain through stress. Both at the senior corporate level and through our local operational health teams, we are working intensively on minimizing the existing risks and introducing targeted measures. We monitor our absences through monthly reports on absenteeism. We use average sick leave for the company health insurance funds of the chemical industry as a benchmark for evaluating sick leave in the company. Sick leave at Symrise is at an average level for the chemical industry under corresponding working conditions, such as shift work. Therefore, we can say that we have a normal situation with sick leave.

In the F&F industry, the handling of hazardous substances is part of the daily routine. Symrise documents the resulting risks and, by means of globally recognized risk minimization plans, ensures safe and secure workplaces and safe and healthy work for all its employees. Furthermore, we take care that no one with a weather-related cold may work in food production areas.

Legally required risk assessments govern safe work in all workplaces. In Germany, a risk assessment is required by Sections 5 and 6 of the Work Safety Law. Risks must be identified, and the occupational safety measures taken to improve the safety and safeguard the health of employees must be defined. Local laws must be observed in all locations worldwide. For countries in which no corresponding laws exist or the requirements for safety and the protection of health are less stringent, Symrise complies with the relevant standards of F&F associations (IFRA, IOFI, FEMA). The risks must first be identified for production and mixing areas as well as laboratories. The potential risk posed by raw materials is obtained from publicly available sources or suppliers (MSDS, toxicology studies, etc.). Product safety experts (toxicologists) evaluate new perfume oils, flavors and cosmetic ingredients produced by Symrise employees and make the evaluations available to Symrise employees and customers in the form of an MSDS. Documented exposure measurements in the affected areas, including handling (stirring, heating, cleaning, etc.), are essential to risk minimization.

If hazardous materials cannot be replaced, technical measures (closed systems, extraction systems, the wearing of protective clothing) and personal measures (access control, personal protective equipment) must be taken in every case.

As a rule, regular targeted training sessions and legally required medical examinations are offered. The effectiveness of measures is reviewed through routinely conducted audits and during medical examinations.

The number of workplace accidents per 1 million working hours is measured using the MAQ indicator. Measures are being taken to reduce workplace accidents as part of the zero-accident culture.

Further information can be found in Management Approach.

**GRI 403-2: Hazard identification, risk assessment, and incident investigation ✓**

Risk identification and assessment are part of our corporate policy and apply around the globe. Global minimum standards for occupational health and safety are defined there. They do not replace country-specific legal regulations that must always be observed independently of them.

The risk assessment is updated at least once a year, but also in case of changes or newly identified risks. By means of safety visits, we identify dangerous activities and situations in the workplace. Every accident is investigated so that managers, employee representatives and colleagues know how to prevent other accidents.

Further information can be found in Management Approach.

**GRI 403-3: Occupational health services ✓**

Our goal is to identify, eliminate or mitigate all potential sources of danger for our employees. This applies to Symrise employees and workers who are not employees, but whose job and/or workplace is controlled by Symrise. In cases of injuries, it is also in our interest that we contribute to a rapid and complete recovery. As legally required, Symrise has concluded contracts with physicians, nurses, first responders and other trained and licensed healthcare specialists.

Every safety incident is reported internally and analyzed, and corrective measures are defined. The attending occupational health services respect our employees' right to privacy. The confidentiality of employees' personal health-related information is guaranteed in accordance with specific local provisions.

Further information can be found in Management Approach.

**GRI 403-4: Worker participation, consultation, and communication on occupational health and safety ✓**

Issues of health and occupational safety are regulated by our Corporate Guidelines and Code of Conduct at Symrise that apply around the globe. In addition, the collective bargaining agreement, which was negotiated with the trade union IG BCE (mining, chemical and energy industrial union) and which applies to Symrise in Germany, contains regulations on workplace design and occupational health and safety. The CBA also governs the cooperation between company management, the works council and the union on matters pertaining to protecting the health of our employees. This agreement also applies to approximately 2,600 Symrise employees in Germany.

Company management, the works council and the union cooperate closely to protect the health of our employees. The relevant regulations described in the Code of Conduct are implemented worldwide via occupational safety committees. SOS inspections and security training sessions are held at regular intervals. Indicator 403-1 describes our approach, taking into account legal obligations.

All Symrise AG employees are entitled to a workplace where they do not have to worry about their health and safety. Every year, a large number of programs and measures are carried out at our sites around the world that contribute to ensuring occupational safety. 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.

There are occupational safety committees at all our locations where we have production sites. The committees meet regularly and exchange information on safety measures and the avoidance of workplace accidents. The heads of the production sites are members of these committees. Minutes from the meetings are always distributed to management.

Our subsidiary TESIUM bundles our competence in the areas of technology, safety and the environment. It ensures that all divisions meet the highest environmental standards. Binding corporate guidelines, which include an approach that has been coordinated with the Executive Board for the safety of systems as well as the protection of employees and the environment, apply to all our sites around the world. Regular training sessions on the topic of occupational safety are mandatory across the Group (see also Management Approach).

In order to improve the worldwide performance in the area of occupational health and safety, the concept of a zero-accident culture was introduced in 2017. Upper and midlevel managers are trained in the methods and programs of a zero-accident culture in special workshops. The programs and measures are discussed in monthly meetings. The program is initially designed for a period of two years. Essential components of this program are workshops on zero-accident culture for upper and midlevel managers as well as management safety visits for the first and second management level of the entire company.

**GRI 403-5: Worker training on occupational health and safety ✓**

Occupational health and training sessions are offered to all employees both on-site and online. New employees are initially trained in face-to-face sessions so that they thoroughly understand the general content and can learn about specific work-related dangers, hazardous activities or dangerous situations.

Training is also conducted for employees who work in certain occupational hazard areas. Such training includes rescue from heights or forklift driver instruction. Training for employees who work in offices or administrative areas is frequently conducted via online sessions.

Training logs are recorded in IT systems. They are used to administer all training sessions and to maintain an overview so that each employee is trained every year and plans are made for subsequent years. For example, in North America, the “Compliance Wire” training program has been in use for more than two decades.

Training is offered free of charge and conducted during working hours, if possible. It is conducted in the local language or in language that is easy for the participants to understand.

**GRI 403-6: Promotion of worker health ✓**

Through our worldwide sensitizing and intervention program “symply healthy,” we help our employees take a conscious approach to their health, for example through targeted smoking cessation programs.

Free “health weeks” are offered to Symrise employees around the world to raise their awareness about health and to inform them that they have access to round-the-clock non-occupational health services and care.

The offerings range from preventive measures and the topics of stroke, heart attack and osteoporosis screening to cycling events and a healthy work-life balance.

**GRI 403-7: Prevention and mitigation of occupational health and safety impacts directly linked by business relationships ✓**

Depending on the case, we use a specific approach in order to avoid or mitigate the negative impact on occupational safety. For example, in the case of the transport of samples, fire protection or the handling of hazardous materials, specific provisions exist regarding responsibilities, hazard identification and the protective measures to be observed in order to eliminate potential risks for all participants.

**GRI 403-8: Workers covered by an occupational health and safety management system ✓**

Symrise has implemented a worldwide occupational safety management system, which applies to all Symrise employees as well as workers who are not employees but whose job and/or workplace is controlled by Symrise. Corresponding corporate guidelines were defined for this that apply to all sites, subject to local legal regulations. Independent DQS auditors perform annual audits of our management system.

**GRI 403-9: Work-related injuries ✓**

Accidents and their causes are evaluated regularly and reported to management. The rate of illness-related absences at Symrise AG amounted to 6.11 % in 2018. Accordingly, we are slightly above the absenteeism rate for the chemical industry of 5.83 % (disclosures by the German umbrella organization of company health insurance funds / chemical industry). We do not report on occupational illnesses separately.

In the Nutrition division, we had one fatal accident in 2018 that was caused by an external third party. Immediate corrective measures were defined and their implementation monitored.

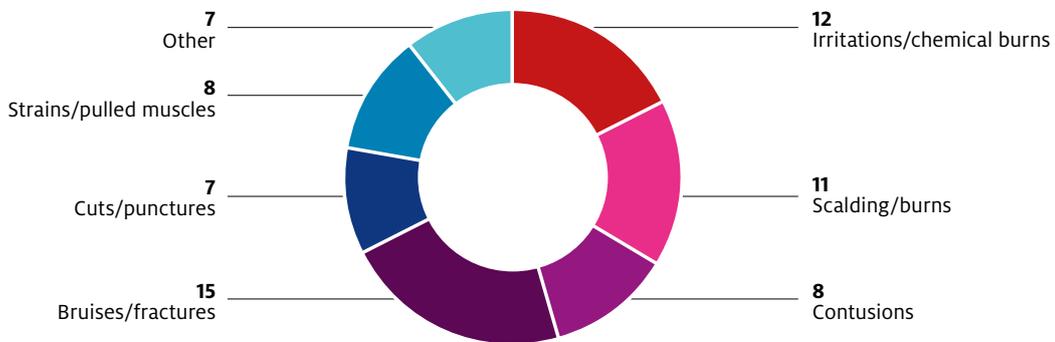
In order to improve the worldwide performance in the area of occupational health and safety, the concept of a zero-accident culture was introduced in 2017. Upper and midlevel managers are trained in the methods and programs of a zero-accident culture in special workshops. The programs and measures are discussed in monthly meetings. The program is initially designed for a period of two years. Essential components of this program are workshops on zero-accident culture for upper and midlevel managers as well as management safety visits for the first and second management level of the entire company. The conduct of training to raise awareness for occupational safety has been integrated as a mandatory personal target agreement for managers since 2018.

	2014	2015	2016	2017	2018
Number of Accidents (MAQ)*	4.8	3.9	3.8	4.7	4.1
Accident Severity (USQ)*	112	49	50	64	56

\* 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

**WORKPLACE ACCIDENTS 2018**

By type of injury in Germany (representative for all of Symrise)



**GRI 403-10: Work-related ill health ✓**

We are aware that work-related illnesses exist at Symrise, such as strains to the back or musculoskeletal system or psychological strain through stress. Both at the senior corporate level and through our local operational health teams, we are working intensively on minimizing the existing risks and introducing targeted measures. We monitor our absences through monthly reports on absenteeism. We use average sick leave for the company health insurance funds of the chemical industry as a benchmark for evaluating sick leave in the company. Sick leave at Symrise is at an average level for the chemical industry under corresponding working conditions, such as shift work. Therefore, we can say that we have a normal situation with sick leave.

In the F&F industry, the handling of hazardous substances is part of the daily routine. Symrise documents the resulting risks and, by means of globally recognized risk minimization plans, ensures safe and secure workplaces and safe and healthy work for all its employees. Furthermore, we take care that no one with a weather-related cold may work in food production areas.

The tolerance limits of workplace exposure pose tremendous challenges to our employees who work with hazardous materials. Wherever possible, Symrise reduces and mitigates the risk of exposure. Hazardous materials in recipes are eliminated if possible or at least reduced.

**Omissions:**

Symrise does not have a reporting system for occupational illness that encompasses the entire group of employees and those workers who are not employees, but whose job and/or workplace is controlled by the company.

**GRI 404: TRAINING AND EDUCATION 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

Symrise places special emphasis on educating young people. For this purpose, we recruit qualified young individuals who we specifically train with our company's needs in mind. And with this approach, we fulfill an obligation that society as a whole holds toward the next generation. As of December 31, 2018, a total of 140 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 5.1 %.

Depending on the occupation, training takes about 2 to 3 years. All trainees are taken on at least temporarily after completing their training if they meet our minimum requirements regarding the material learned. With our investment in training, we are meeting the demand for future specialists in chemical production and in the laboratories as well as in commercial, marketing and sales functions. Because of the need for trained specialists, Symrise has also been training two additional specialists for food technology since August 2018 in its Braunschweig plant.

We have structured our training capacity in a way that allows around 46 young people to start training at Symrise every year. Of these, 24 are trained for chemical-technical professions, another 10 for technical and logistics occupations and 12 young people for commercial occupations. In addition to initial training, we open up new perspectives by offering dual studies in both business administration (5 employees are working toward a Bachelor of Business Administration) and in the chemical-technical field (2 employees working toward a Bachelor of Science). Through our training efforts, we are clearly working to mitigate the demographic change in our company.

In addition, we qualify our employees via comprehensive training measures. Lifelong learning is something our employees are always engaged in. German language instruction has played a particularly important role in integrating foreign employees. Furthermore, we offer English courses for our production employees and for employees of Tesium, among other things, so that they can use international work instructions. In the international range of training courses offered, occupational safety training and the handling of hazardous substances were given a wide scope of attention. Management training courses are also offered in all regions, supplemented by coaching and mentoring measures. In 2018, around 8,500 participants took part in internal and external training courses. Globally, the total number of hours for training courses amounted to around 66,500 hours (both disclosures without the Diana Group), so that each participant received an average of 8 hours of training. Approximately 3,400 participants were women. In addition to traditional training programs, we also train our employees via international assignments. In 2018, the number of international assignments remained unchanged at the high level of about 120 employees deployed outside their home countries.

We spend about € 3.5 million annually for training and personal development measures (excluding wages and salaries during training). This is paying off, because 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.

At our flavorist and perfumer school, we are constantly training experts who are trained over a period of around three years and then can be successfully inserted into our product development teams. In addition, our employees have diverse opportunities for completing a bachelor's, master's or doctoral degree alongside their work through cooperation agreements with universities, academies and institutes. In 2018, 20 Symrise employees were supported in such qualification measures.

### **GRI 404-1: Average hours of training per year per employee ✓**

At Symrise we qualify our employees for their daily work via comprehensive training measures. Lifelong learning supports our employees throughout their careers.

German language instruction has played a particularly important role in integrating foreign employees. Furthermore, we offer English courses for our production employees and for employees of Tesium, among other things, so that they can use international work instructions. In the international range of training courses offered, occupational safety training and the handling of hazardous substances were given a wide scope of attention. Management training courses are also offered in all regions, supplemented by coaching and mentoring measures. In 2018, around 8,500 participants took part in internal and external training courses. Globally, the total number of hours for training courses amounted to around 66,500 hours (both disclosures without the Diana Group), so that each participant received an average of about 8 hours of training. Approximately 3,400 participants were women. In addition to traditional training programs, we also train our employees via international assignments. In 2018, the number of international assignments remained unchanged at the high level of about 120 employees deployed outside their home countries.

The training content also includes 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. For one thing, we accepted 46 young people for initial apprenticeship training in 2018. For another, in cooperation with the local job center, we have trained unemployed individuals from outside the field as chemical production specialists. This apprenticeship training lasts about two years. In 2019, we want to launch a new initiative for the retraining of approximately 20 people as chemical production specialists.

As of December 31, 2018, a total of 140 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 5.1 %.

At Symrise we spend about € 3.5 million annually for training and personal development measures, excluding the costs of initial training or wages and salaries during training.

### **GRI 404-2: Programs for upgrading employee skills and transition assistance programs ✓**

Symrise consistently orients the qualification of its employees toward professional and work-related skill sets. As a result, each employee receives skills-oriented feedback as part of their annual performance review. The underlying skills here are entrepreneurial spirit and leadership, creativity and innovative spirit, business and customer orientation as well as integrity and sustainability. The supervisor also provides constructive professional feedback.

In addition, we have defined function-specific expertise for departments like Sales and Purchasing.

We base our development assessment on a skills matrix, which is specially designed for managerial development and evaluates transactional and transformational skills.

The professional and behavioral skills are considered in connecting individual career goals to the organizational development of the company. For this purpose, we have defined key positions in the company that are essential to the business, for which we systematically identify and develop potential successors as part of career planning.

On a global basis, our training activities are pooled under the Symrise Academy, which stands on four strategic pillars:

- The flavorist and perfumer school
- Technical/specialist continuing education for employees
- Training for sales personnel
- Support 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. We currently have eight junior perfumers in our school who are completing their training.

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. We launched a new training program of this type with 26 participants in 2018. As a result, a total of about 80 talented individuals were trained for key management positions on the basis of an individual potential analysis.

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 transition phase, dependent upon their reason for leaving the company. If an employee is leaving because they have reached the regular retirement age, then they receive a pension, which was built up with company support, in accordance with the local legal and operational provisions. If the employee's position has been terminated due to operational reasons, Symrise guarantees a severance package that conforms to local statutory and company standards as compensation for the job loss. If the employee leaves the company for personal or performance reasons, Symrise assists this employee on a case-by-case basis by offering outplacement services for adjusting to the job market and finding a new job.

### **GRI 404-3: Percentage of employees receiving regular performance and career development reviews ✓**

Symrise conducts an open and honest dialogue with its employees on a global basis. We have created a performance review for this purpose. All approximately 6,500 employees of the worldwide Symrise Group receive feedback once a year regarding their performance and the skills that were involved in achieving it. Individual development goals that are derived from this feedback are established by the supervisor and the employee for the following year and documented in a development plan.

Our performance and talent management software program, which was introduced worldwide, supports this process. Currently 7,300 active employees are registered in this system with their performance and development activities. With this system, we help our supervisors manage their personal development work efficiently.

In our production areas, the performance review is conducted on a team-wide basis outside the software tool.

Since all Symrise employees (100 %) take part in annual performance reviews with their supervisors and the reviews also reflect personal career development, a breakdown by to gender is not necessary.

**GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

A sustainable HR policy is part of our corporate strategy (“Care” pillar); it conveys goals and establishes common values. It includes the promotion of diversity in the workplace, the dedicated promotion of young families through a family-oriented HR policy and enhancing the compatibility of professional and private life (see also 405-1). To this end, in 2017, the Executive Board of Symrise articulated a clear commitment to the advancement of diversity (see the diversity statement of the Executive Board). We practice our commitment to diversity by implementing specific measures, such as our family-oriented HR policy designed to support young women and their families, the deliberate overrepresentation of women in our Future Generation Leadership Development Program and the targeted hiring of women given the same qualifications.

In parallel, by signing the “Women’s Empowerment Principles,” we have recognized the principles of equal opportunity for women around the world and established them as a guideline for all our managers worldwide. In addition, 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.

We also promote the national and cultural diversity of our country through our at least 70 expatriates, who come from foreign countries and work for a period here in Germany. Our organization has about 120 expatriates worldwide.

A focus in the area of “Diversity” in 2018 was the review of the equal treatment of men and women in remuneration (equitable remuneration). At all major corporate locations (Germany, Singapore, USA and Brazil), we have conducted a statistical comparison of the salaries of men and women in the respective country-specific pay categories. In the process, we did not determine any gender-specific discrimination of women. Overall social trends lead to individual differences in the absolute level of remuneration. For example, primarily women work part time and therefore earn less than men who work full time. Women also less frequently pursue careers as chemists, who work for us in production and receive production-specific additional remuneration for shift work, hardship allowances, foremen’s and shift bonuses. As a result, the remuneration of men employed in production is higher than corresponding remuneration for women in the same pay category.

The Boys & Girls Day, which is held annually, will lead in the long term to having young women also choose more technical professions and possibly even be open to production and shift work or engineering careers.

Another emphasis of our HR work in 2018 was on the integration of refugees into our workplace. Along with German classes, we offer internships, retraining and other employment opportunities as part of the “we together” initiative in Germany.

As part of our managerial development and succession planning, we also develop and encourage women in a targeted manner through coaching and mentoring in order to achieve a higher proportion of women in management positions, including in the Executive Board.

**GRI 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 to several Group-wide projects that promote diversity. This means that at least 40 % of the participants in our Future Generation Leadership Development Program must be female. Our objective is to qualify women for management positions. In addition, we provide targeted support to individual women in senior leadership positions through mentoring in order to prepare them for executive positions. By 2025, we aim to have at least 20 % women at the first global management level directly below the Executive Board, while the second global management level should consist of at least 25 % women. The share of women at the first level of management beneath the Executive Board amounted to 27 % in 2018. At the second level of management it amounted to 42 %.

For the Executive Board, Symrise AG aims to achieve a 20 % share of women in the long term. Measures related to specific persons have been agreed between the Supervisory Board and the Executive Board for this purpose. Nevertheless, we must respect current employment contracts and ensure continuity in the Executive Board. The current members of the Executive Board have contracts that extend into the years 2020 to 2024.

Our annual diversity data reporting, which takes into account our large sites and thereby about 80 % of our workforce (about 7,200 employees), documents the progress of our HR diversity policies.

According to the latest diversity report, women make up 39.3 % of our workforce today. When it comes to new hires from outside the company, women are well represented with 44 % of total new hires. In our fragrances area, the share of newly employed women is disproportionately high at 52 %.

Gender diversity is also evident in our internal promotions. Of all promotions, 43 % involve women. Our fragrances area also stands out here with an above-average share of 50 %.

Across all company levels, the proportion of women in management positions comes to approximately 44 % worldwide. This trend 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 training our managers. Our executive ranks include Jean-Yves Parisot, from France, who represents the Diana Group in the Executive Board of Symrise AG. All other Executive Board members have distinct international management responsibility as a result of working abroad for many years. As a member of the Executive Board for our Scent & Care segment, Achim Daub is based in the USA, which is crucial to our backward integration of raw materials following our acquisition of Renessez.

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 make up the second largest employee group at 16 %. The percentage of American employees is 15 %. 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 12 % of our workforce. Our Brazilian employees constitute 7 % of the total workforce, while Chinese employees amount to 5.5 %.

#### GLOBAL SHARE OF WOMEN IN MANAGEMENT POSITIONS AT SYMRISE

	2016	Share	2017	Share	2018	Share
Share of women in total workforce worldwide	3,426	38.3 %	3,597	38.7 %	3,806	39.3 %
Share of women in upper management worldwide	16	21 %	20	30.8 %	22	33 %

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**

	2016	Share	2017	Share	2018	Share
<b>Manager</b>						
Men	299	73.6 %	304	72.0 %	313	71.8 %
Women	107	26.4 %	118	28.0 %	123	28.2 %
<b>Total</b>	<b>406</b>	<b>100 %</b>	<b>422</b>	<b>100 %</b>	<b>436</b>	<b>100.0 %</b>
<b>Non-manager</b>						
Men	1,515	65.3 %	1,571	65.8 %	1,589	64.9 %
Women	805	34.7 %	816	34.2 %	859	35.1 %
<b>Total</b>	<b>2,320</b>	<b>100 %</b>	<b>2,387</b>	<b>100 %</b>	<b>2,448</b>	<b>100.0 %</b>
<b>Total workforce</b>						
Men	1,814	66.5 %	1,875	66.7 %	1,902	66.0 %
Women	912	33.5 %	934	33.2 %	982	34.0 %
<b>Total</b>	<b>2,726</b>	<b>100 %</b>	<b>2,809</b>	<b>100 %</b>	<b>2,884</b>	<b>100 %</b>

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	2016		2017		2018	
	Manager	Non-manager	Manager	Non-manager	Manager	Non-manager
20 –29	0.2 %	16.0 %	0.2 %	17.3 %	0.0 %	17.4 %
30 –39	13.8 %	21.1 %	15.8 %	20.3 %	14.0 %	20.8 %
40–49	33.5 %	27.5 %	29.9 %	27.6 %	29.1 %	25.7 %
50–59	42.6 %	28.8 %	44.1 %	28.8 %	45.2 %	29.1 %
>= 60	9.9 %	6.6 %	10.0 %	6.0 %	11.7 %	7.1 %
<b>Total</b>	<b>100.0 %</b>					

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 %
<b>Total</b>	<b>5</b>	<b>100 %</b>	<b>12</b>	<b>100 %</b>

As of December 31, 2018

**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	5	100%	11	92%
<b>Total</b>	<b>5</b>	<b>100%</b>	<b>12</b>	<b>100%</b>

As of December 31, 2018

**GRI 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. The amount of remuneration is determined exclusively by the employee’s qualification and value contribution to the company.

Symrise pays its employees on the basis of collective wage agreements concluded with the respective labor unions. Each initial classification or later reclassification is subject to review by the works council. Through this double-checking, we make sure that gender plays no role in determining remuneration. In 2018, we carried out a gender-specific analysis of the wages for male and female employees at our major sites. The example of our site in Germany, which has the most employees, shows that the average remuneration of women does not significantly deviate from the average remuneration of men (statistically insignificant differences of < 2 %). As part of this analysis, we adjusted the results to account for the personal decision of each employee working part time. The remaining insignificant differences result from production-specific components of remuneration such as hardship allowances or activity-related wages such as foremen’s or master craftsmen’s allowances, or are prescribed by the various remuneration levels specified by wage agreements for commercial or technical professions. Overall, we received five inquiries from female employees to review their remuneration under the German Transparency in Wage Structures Act. So far, no case has shown gender-specific discrimination.

As a result, there are no indications of inequitable treatment on a gender-specific basis. Differences in remuneration between men and women may result from the type of activity, such as shift work with corresponding shift remuneration. For example, at Symrise in Germany, only five women work in rotating shift operations with regular evening shifts and corresponding shift remuneration. Otherwise, only men work in these areas and therefore receive higher remuneration as a result of shift bonuses. In addition, one must always take into account the high percentage of women in part-time work, which gives rise to the impression that women earn less overall.

**GRI 406: NON-DISCRIMINATION 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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.

**GRI 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.

**GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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 or the joining of unions. At those locations where there is no collective agreement due to legal regulations or memberships in employers' associations, we look to the predominant working conditions that are standard in the industry. In addition, employment agreements define collective rules for working conditions in the respective countries. 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.

In general, 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.

**GRI 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. In 2018, there were no strikes at our company.

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. Compliance with these regulations is audited regularly through corresponding risk-based supplier audits.

There were no Symrise locations where the right to freedom of association and collective bargaining was violated or put at risk in the reporting year.

**GRI 408: CHILD LABOR 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

The guiding principles of the United Nations for the economy and human rights emphasize business responsibility. After all, the activities of companies can have unintended negative effects on human rights. This applies above all to globally operating corporations with complex supply chains. Particularly threatened by human rights violations in supply chains are those population groups who are already marginalized in their respective country and therefore are exposed to higher risk, such as children, women, and religious or ethnic minorities. At the same time, a precarious human rights situation also weakens companies since their success depends on a stable and predictable environment. Within the framework of SDG 8, humane working conditions are emphasized as the prerequisite for sustainable and inclusive economic growth.

At Symrise, Corporate Sustainability is responsible for the topic of human rights and reports on it to the Executive Board several times per year. By signing the United Nations Global Compact, we officially announced our active support for the protection of international human rights. This applies both to our own employees and to the observance of human rights at our external partners.

The Symrise Code of Conduct describes our company's worldwide rules on the topic of human rights. The provisions are implemented worldwide in our Integrated Management System (IMS), which is based on the provisions of the SA 8000 social accountability standard. 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. We welcome and expressly support corresponding laws against forced labor or human trafficking, such as the California Transparency in Supply Chains Act or the UK Modern Slavery Act. The abuse of employees' rights or work safety provisions is illegal and is not tolerated in any form at Symrise. Independent auditing companies regularly confirm compliance with these regulations on social responsibility.

We also require our suppliers and business partners to uphold basic human rights. Before a new supplier is accepted as a business partner, it must pledge in writing that it will maintain and comply with the provisions of the Symrise Code of Conduct. 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. 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. Furthermore, our approach to backward integration (see responsible sourcing) enables us to exert direct influence on adherence to our principles.

Since 2010, all Symrise production sites have been externally audited in three-year intervals based on the SEDEX SMETA 4-pillar standard. In addition, several customers had independent certification organizations audit selected Symrise locations according to their own standards for social aspects.

### **GRI 408-1: Operations and suppliers at significant risk for incidents of child labor ✓**

There were no business locations or suppliers with a significant risk of child labor in the reporting year.

### **GRI 409: FORCED OR COMPULSORY LABOR 2016**

#### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

The guiding principles of the United Nations for the economy and human rights emphasize business responsibility. After all, the activities of companies can have unintended negative effects on human rights. This applies above all to globally operating corporations with complex supply chains. Particularly threatened by human rights violations in supply chains are those population groups who are already marginalized in their respective country and therefore are exposed to higher risk, such as children, women, and religious or ethnic minorities. At the same time, a precarious human rights situation also weakens companies since their success depends on a stable and predictable environment. Within the framework of SDG 8, humane working conditions are emphasized as the prerequisite for sustainable and inclusive economic growth.

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Since 2010, all Symrise production sites have been externally audited in three-year intervals based on the SEDEX SMETA 4-pillar standard. In addition, several customers had independent certification organizations audit selected Symrise locations according to their own standards for social aspects.

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

There were no business locations or suppliers with a significant risk of forced or compulsory labor in the reporting year.

**GRI 411: RIGHTS OF INDIGENOUS PEOPLES 2016****GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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.

For this purpose, a Nagoya committee, which is comprised of experts from divisional and corporate functions, was established in 2017. Both the existing product portfolio and new research projects are subject to the strict provisions of the Nagoya Protocol.

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

No cases were recorded during the reporting period.

**GRI 412: HUMAN RIGHTS ASSESSMENT 2016****GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

The guiding principles of the United Nations for the economy and human rights explicitly emphasize business responsibility. After all, the activities of companies can have unintended negative effects on human rights. This applies above all to globally operating corporations with complex supply chains. Particularly threatened by human rights violations in supply chains are those population groups who are already marginalized in their respective countries and therefore are exposed to higher risk, such as children, women and religious or ethnic minorities. At the same time, a precarious human rights situation also weakens companies since their success depends on a stable and predictable environment. Within the framework of SDG 8, humane working conditions are emphasized as the prerequisite for sustainable and inclusive economic growth.

At Symrise, Corporate Sustainability is responsible for the topic of human rights and reports on it to the Executive Board several times per year. By signing the United Nations Global Compact, we officially announced our active support for the protection of international human rights. This applies both to our own employees and to the observance of human rights at our external partners.

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We also require our suppliers and business partners to uphold basic human rights. Before a new supplier is accepted as a business partner, it must pledge in writing that it will maintain and comply with the provisions of the Symrise Code of Conduct. 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. 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. Furthermore, our approach to backward integration (see responsible sourcing) enables us to exert direct influence on adherence to our principles.

Since 2010, all Symrise production sites have been externally audited in three-year intervals based on the SEDEX SMETA 4-pillar standard. In addition, several customers had independent certification organizations audit selected Symrise locations according to their own standards for social aspects.

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

Every year we increase the share of our worldwide sites that are certified according to human rights criteria. By now, 90 % of our sites are certified based on the SEDEX SMETA 4 pillar standard. This represents an increase of 6 % from the previous year.

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

In order to ensure compliance with all compliance requirements on an ongoing basis, the need for training is regularly identified and suitable training courses are held in both the areas of “Technical Compliance” and “Legal Compliance.” 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. Subsequent tests confirm not only that a training course has been completed, but that its content has also been understood.

In addition to the requirements of their position, new Symrise employees are given comprehensive training when they join the company on the fundamental principles of our Code of Conduct. All employees then take part in rolling training courses based on predefined schedules. Depending on whether they are basic, refresher or specialized training courses, these schedules cover a period of between one and three years.

**GRI 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 partner firms are to uphold the regulations and rules on occupational health and safety, guidelines for the reduction of environmental impact and rules regarding hygiene. 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 particularly our raw material suppliers.

**GRI 413: LOCAL COMMUNITIES 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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 in Germany. 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.

**GRI 413-1: Operations with local community engagement, impact assessments, and development programs ✓**

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, while at the same time generating societal added value. 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. Over the past ten years, we have been committed to improving education and health care in Madagascar. We have established production facilities there that meet strict environmental standards. Our local business activity contributes to the livelihood of more than 30,000 people.

We established a site in the Amazon region 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. In partnership with the German Society for International Cooperation, the goal is to restore the natural vegetation along the Trans-Amazonian Highway and in the Northeastern Pará and Ponta do Albuna regions through changed cultivation of the land and reforestation measures. The farmers and cooperatives will learn how to cultivate the land more effectively with the help of the latest technology. This will increase their yields and allow them to stabilize their livelihoods through a higher income.

In accordance with the Precautionary Principle, we endeavor to manage the local impact of our business activities as a rule on a proactive basis. Our Integrated Management System is based on the international standards in the areas of quality management (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.

Our subsidiary TESIUM ensures that the facilities comply with our safety requirements. This includes the preparation of systematic safety reviews, contingency plans, safety reports, alarm and risk-prevention plans, and public information. Health & safety committees can be found at all our sites where we have production facilities. The committees meet regularly and share ideas about safety measures and preventing workplace accidents (see 403-1). All our worldwide sites follow obligatory Corporate Guidelines, which have been coordinated with the Executive Board, that contain an approach to the safety of systems and ensure the protection of employees and the environment.

### **GRI 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. On the contrary – within the framework of our sustainability agenda, we pursue the goal of improving living conditions on site and contributing to the enhancement of local communities. By doing so, we actively support the achievement of the Sustainable Development Goals of the United Nations.

### **GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016**

#### **GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

For our portfolio of approximately 30,000 products, we use some 10,000 different natural and synthetic raw materials sourced from over 100 countries. As a result, we face an array of challenges ranging from negative environmental effects from the sourcing of raw materials to protecting social standards in countries that experience, to some degree, problematic sociopolitical conditions. The reasons for this are not least because of inadequate transparency, the high level of complexity of material flows and the different objectives of the parties involved along the value chain. As a result of measures for responsible sourcing, we can contribute to the achievement of sustainable production patterns (SDG 12) as well as to the preservation of ecosystems (SDG 15).

We are constantly adapting the organizational structure of our purchasing department to the changing conditions on the market. We organize procurement in our Scent & Care and Flavor & Nutrition segments in a decentralized manner in order to manage purchasing processes in a more targeted manner and to continually optimize the supply chain.

Our long-term goal is to source all our raw materials in a sustainable manner. In 2016, we developed a new Symrise sourcing policy that applies across the Group. By providing a comprehensive description of our goals, aspirations and tools, it serves primarily as a reference document for suppliers, customers and employees. We have also established specific policies for various raw materials that are exposed to high risks, such as in the case of palm oil.

We cannot solve many of the challenges in the supply chain on our own. Therefore, we increasingly rely on cooperative arrangements within the industry and competitive approaches in which we can work together with other actors on long-term sustainable solutions. These include our memberships in the Roundtable on Sustainable Palm Oil or the Sustainable Spices Initiative.

We can best pursue and maintain our goal of sustainable sourcing if we can exert direct influence on the upstream stages of our value chain. Therefore, we pursue the goal of strategic backward integration for our key raw materials. As we demonstrated in the case of vanilla production in Madagascar, we can create immediate value for all participants: We are working in a very targeted manner on the improvement and implementation of environmental and social standards through various joint projects, thus ensuring the consistent high quality of raw materials for our customers. With this integrative approach, we support local socioeconomic structures and can directly monitor compliance with our 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.

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

Symrise has declared its goal to source all raw materials on the basis of sustainable criteria. Therefore, the Responsible Sourcing Policy stipulates that all new suppliers worldwide are to be evaluated according to sustainable and particularly social criteria in addition to the process that reviews existing suppliers in this respect.

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

Symrise has declared its goal to review all suppliers in terms of social criteria. As in previous year, more than 90 % of our main suppliers are evaluated according to sustainability criteria based on procurement volume.

Based on the SEDEX / Maplecroft risk assessment tool, all suppliers who were initially identified as posing a high risk, meaning that they could have a potential negative social impact, were subjected to a thorough audit. In each of these cases, long-term measures were taken in order to prevent the potential negative social impact.

There has, however, been no known case in which significant actual or potential negative social effects were identified and the business relationship was terminated as a result.

**GRI 416: CUSTOMER HEALTH AND SAFETY 2016**

**GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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.

**GRI 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, the Regulatory Affairs department is responsible for ensuring that Symrise products are in compliance with the relevant legislation. Our products are subject to strict regulatory scrutiny based on the food, pharmaceutical, and cosmetics law or the REACH directive.

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..

**GRI 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 2018.

The intensive cooperation between the regulatory departments, the purchasing departments and sales ensures that no violations or complaints arise in connection with health impacts. Legislative changes are promptly implemented through the intensive cooperation of these areas and using a proactive approach, supported by robust product and consumer-protection processes. This approach has been very favorably received by customers.

All customer complaints regarding quality and service are carefully reviewed. If necessary, measures are taken and their execution is carefully monitored. In a monthly report, the responsible individuals are informed about the development of complaints and their processing.

**GRI FP5: Percentage of production volume manufactured in sites certified by an independent third party according to internationally recognized food safety management system standards ✓**

Approximately 90 % of our production sites are certified at least in accordance with ISO 9001 or ISO 22000, but all of our food-producing sites are certified according to standards that are recognized by the Global Food Safety Initiative.

**GRI FP6: Percentage of total sales volume of consumer products, by product category, that are lowered in saturated fat, trans fat, sodium and added sugars ✓**

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.

**Omissions:**

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

**GRI FP7: Percentage of total sales volume of consumer products, by product category, that contain increased nutritious ingredients like fiber, vitamins, minerals, phytochemicals or functional food additives ✓**

see [FP6](#)

**GRI 417: MARKETING AND LABELING 2016****GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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 global basis for responsible behavior with products and manufacturing processes. These guidelines steer quality control for both production processes and the production environment and apply to the manufacture of pharmaceuticals and active ingredients as well as for 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. The Quality & Regulatory division organizes product safety at Symrise. Its reporting channel to the CEO is via Global Operations.

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

The labeling of our products is based on the requirements of the EU Regulation No. 1272/2008 on the classification, labeling and packaging of substances and mixtures (GHS Regulation). The labeling of all raw material inputs is systematically checked for compliance with Article 5 of the GHS Regulation. If necessary, additional clarifications are made directly with the supplier or in-house analyses, for example regarding the composition of raw materials, are conducted or their physical and chemical properties are determined analytically. Along with disclosures from the material safety data sheets provided by the raw material suppliers, due diligence regarding the labeling of raw materials is based primarily on Appendix VI of the GHS Regulation, published information from the REACH Regulation, information pursuant to Article 42 of the CLP Regulation and the label manual of the International Fragrance Association and the International Organization of the Flavor Industry.

The determination of labeling of product mixtures is based on the label disclosures of the raw materials and the quantified product-specific physical and chemical properties. The determination of labeling in turn is in accordance with the principles of the GHS Regulation pursuant to Article 6, particularly the provisions defined under Appendix I.

The preparation of safety data sheets and expanded safety data sheets reflects the classification and labeling of raw materials and products. The process of preparing the documents is in accordance with the principles of the REACH Regulations (No. 1907/2006), particularly the principles and provisions from Appendix II of the REACH Regulation.

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

In 2018 there was an incident concerning the inadvertent contamination of a raw material in the Flavor segment, which resulted in several products losing their natural status. The affected customers were informed of this incident accordingly in order to conduct their own corresponding evaluation of the affected end products. In addition, measures were taken to avoid similar incidents in the future.

**GRI 419: SOCIOECONOMIC COMPLIANCE 2016****GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

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 of Conduct 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 our Code of Conduct 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 worldwide to report anonymously and in their native language any breaches of legal regulations or internal company guidelines. Misconduct is consistently prosecuted in accordance with the applicable national laws.

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

In 2018, a small number of cases were reported via the Integrity Hotline worldwide. Several additional cases of irregularities were reported directly to the Group Compliance office. In all cases, investigations were initiated and corrective measures were applied on a case-by-case basis pursuant to the applicable legal system and Group-internal regulations. In one case, labor law sanctions were imposed. No material damage to third parties or to our company resulted from these cases.

**GRI ANIMAL WELFARE****GRI 103: Management Approach 2016 (Disclosure 103-1, 103-2, 103-3) ✓**

Animals and raw materials of animal origin serve man in many ways, especially in food production. Unique taste and nutrition solutions are also part of Symrise's product portfolio - which is why we see our commitment to improving animal welfare as an important part of our corporate policy. Beyond the ethical demands we place on ourselves and our activities, irresponsible treatment of animals could lead to a considerable loss of reputation for Symrise among important stakeholders and thus to high economic damage. We share the growing concerns of consumers and customers about the circumstances in which animals are kept and treated, and also clearly see the interaction with food quality. Animal welfare is a natural obligation for Symrise.

The Sustainability Board informs the Executive Board about current developments several times a year. Last year, we developed a policy that regulates the handling of animals and the procurement of animal raw materials. Ingredients and flavors based on chicken raw materials account for the largest share of Symrise's sales volume. We have therefore developed an animal welfare policy for poultry, especially chickens, as the first building block. It lays down clear minimum requirements for housing and rearing, transport and slaughter. The policy also provides for regular inspections of operations, continuous improvement of livestock production and an annual progress report. We intend to procure 100% of our chicken-based raw material supplies in the USA by 2023 and in Europe by 2026 from sustainable sources. Since there are no globally aligned standards for animal welfare, Symrise works with the internationally respected animal welfare organization "Compassion in World Farming" (CIWF) to quickly implement its policy in the supply chain.

We obtain animal raw materials and byproducts exclusively from suppliers that comply at a minimum with European laws or local regulations regarding animal welfare. Usually only byproducts of the food industry are used here, thereby ensuring the utmost raw-material efficiency and reduction of food waste.

The dogs and cats that are kept by the Symrise subsidiary Diana are primarily used to conduct taste tests. Many employees hold the "Certificat de capacité," a professional certification that is issued by the French authorities and qualifies them for the responsible treatment of animals. During selection, breeds are preferred that are not susceptible to health or behavioral problems. Dogs and cats have permanent access to a small outdoor enclosure and fresh water and are fed regularly. In case of lengthy animal transportation, a special truck is used that is equipped with temperature monitoring and ventilation. In addition, veterinarians take care of the animals and, if necessary, provide them with medication. After several years, the dogs and cats are put up for adoption.

**GRI FP9: Percentage and total of animals raised and/or processed, by species and breed type ✓**

Symrise is not involved in animal husbandry, nor do we slaughter any animals ourselves (regarding the supply chain, see [414-2](#)). The dogs and cats that are kept by the Symrise subsidiary Diana are primarily used to conduct taste tests, while fish and shrimp in the Diana Aqua segment are used for product tests.

Every year, breeders and owners select dogs and cats for this purpose according to set criteria. Our goal is to provide a representative cross-section of breed diversity on the various continents. Wherever possible, the animals do not belong to certain breeds that are known for their tendency to develop health or behavioral problems. Our dogs and cats are acquired after a weaning period and are identified by tattoos and microchips. All animals remain in quarantine before they are used.

Our Diana Aqua subsidiary conducts product tests of fish and shrimp primarily in order to investigate growth behavior. In the process, strict guidelines regarding test procedures and test personnel are followed that comply at a minimum with local regulations. The shrimp and fish used for this have an annual live weight of about 250 kg.

**GRI 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](#)). The dogs and cats that are kept by the Symrise subsidiary Diana are primarily used to conduct taste tests, while fish and shrimp in the Diana Aqua segment are used for product tests.

Our dogs and cats receive only treatment for care; no invasive measures are taken. In order to manage our animal population, dogs and cats are castrated or sterilized. The operation is carried out by a veterinarian in accordance with generally accepted practical recommendations regarding anesthesia and analgesic protocols. If one of the animals must undergo a surgical procedure, a painful examination or medical treatment, the attending veterinarian supplies the appropriate narcotic and analgesic treatment. Fish that are used at Diana Aqua for product testing are euthanized with anesthetics following the test procedure according to ethical guidelines.

**GRI 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](#)). The dogs and cats that are kept by the Symrise subsidiary Diana are primarily used to conduct taste tests, while fish and shrimp in the Diana Aqua segment are used for product tests.

Our cats are kept in groups of 10 to 20 cats per room, while dogs are kept in pairs in kennels. Dogs and cats have permanent access to a small outdoor area and fresh water. Dogs spend several hours outdoors in a park every day. They are cared for in groups of 4 to 8 according to size and individual disposition. Dogs and cats are fed once or twice per day. The frequency of feeding coincides with their private treatment by owners.

In each of our facilities, we do not only comply with the minimal prescribed treatment regulations but try to provide larger premises than necessary since the well-being of animals is crucial to the success of our taste tests.

For example, the smallest room for 10 individual cats is 28 m<sup>2</sup> (15 m<sup>2</sup> for the indoor area and 13 m<sup>2</sup> for the outdoor area). For dogs, the accommodation depends on the size of the respective animal. We calculate more than 9 m<sup>2</sup> for small dogs and 12 m<sup>2</sup> for larger breeds. We design the environment for cats in three dimensions in order to enlarge the available space. Portions of the outdoor areas are also roofed.

We do not breed the fish and shrimp that are used for product testing by the Diana Aqua segment ourselves but obtain them from commercial breeders. The fish and shrimp are held in facilities in which we ensure optimal conditions in terms of water quality, nutritional needs and low animal density.

**GRI 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](#)). The dogs and cats that are kept by the Symrise subsidiary Diana are primarily used to conduct taste tests, while fish and shrimp in the Diana Aqua segment are used for product tests.

If needed, our dogs and cats receive antibiotics and anti-inflammatory treatment. The animals are held only as subjects for pet food taste tests. After several years they are put up for adoption or sold.

Any treatments comply with the legal provisions of the attending veterinarian. They are always performed by animal caretakers and trained specialists. All treatments are documented in the respective individual files and the general register for each facility.

In the Diana Aqua segment, no use is made of antibiotics, anti-inflammatory agents or hormones. The goal of fish and shrimp tests is rather to demonstrate the advantages of our products. Achieving this goal would be impaired or invalidated by the use of such substances for the reduction of mortality rates or resistance to environmental influences in breeding.

**GRI 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 ✓**

No instances of non-compliance with laws and regulations were reported.

The transport of our dogs and cats used for taste testing occurs when they are brought to our facilities, during visits to the veterinary clinic or during any trips to beauty shows or competitions. During transport, the animals are shipped in a special transport cage. In case of longer trips, we ensure that the trip is interrupted regularly for free movement and the supply of fresh water. Many employees hold the "Certificat de capacité," a professional certification that has been issued by the French authorities and qualifies them for the responsible treatment of animals. In the US, the Animal Welfare Act governs regulations on transport to and from our sites there.