

CORPORATE REPORT

Sharing values

2013

Key Figures of the Group

		2009	2010	2011	2012	2013
Business						
Sales	€ million	1,362.0	1,571.9	1,583.6	1,734.9	1,830.4
EBITDA	€ million	245.6	331.2	315.9	338.9	373.1
EBITDA margin	in %	18.0	21.1	20.0	19.5	20.4
EBIT	€ million	163.0	244.4	234.4	252.6	283.1
EBIT margin	in %	12.0	15.5	14.8	14.6	15.5
Net income	€ million	84.3	133.5	146.5	157.5	172.3
Balance sheet total (as of December 31)	€ million	1,895.2	2,059.0	2,120.3 ¹	2,150.2 ¹	2,210.4
Capital ratio (as of December 31)	in %	36.4	40.9	40.9 ¹	40.9 ¹	43.0
Investments	€ million	56.7	70.5	67.3	70.3	142.9
Net debt (incl. pension provisions and similar obligations) / EBITDA (as of December 31)	ratio	3.1	2.2	2.4 ¹	2.4 ¹	2.0
Research and development expenses	€ million	95.7 ²	107.9	107.6	113.8	127.0
Operating cash flow	€ million	225.7	235.1	200.9	219.5	274.8
Capital Market						
Shares issued as of balance sheet date	millions	118.2	118.2	118.2	118.2	118.2
Share price at end of fiscal year (Xetra® closing price)	in €	14.98	20.53	20.62	27.12	33.50
Market capitalization at end of fiscal year	€ million	1,770.2	2,426.1	2,436.7	3,204.9	3,958.8
Earnings per share	in €	0.71	1.13	1.24	1.33	1.46
Dividend per share	in €	0.50	0.60	0.62	0.65	0.70 ³
Environment						
Carbon dioxide emissions (Scope 1 and 2) ^{4,5}	kg	748.8	709.0	680.6	644.1	642.8
Direct and indirect energy consumption ^{4,5}	GJ	8.2	8.0	7.6	7.3	7.3
Waste ^{4,5}	kg	105.2	115.6	112.4	99.3	96.1
Water consumption ^{4,5}	cbm	13.1	10.6	10.2	9.9	9.7
Wastewater ^{4,5}	cbm	12.3	10.0	9.6	9.1	8.8
Employees						
Employees (as of December 31)	FTE ⁶	4,954	5,288	5,434	5,669	5,959
Fluctuation rate	in %	4.4	5.1	5.5	5.3	4.4
Number of accidents	MAQ ⁷	7.0	5.0	3.2	5.3	5.3
Accident severity	USQ ⁸	63	55	43	99	51

1 adjusted as a result of changes to accounting policies in 2012

2 2009 including restructuring expenditure

3 proposal

4 per ton of product

5 In 2013, we redefined the calculation method for our consumption and emission values: We no longer calculate this data per ton of product sold, but rather per ton of product. The values from the previous years have been adjusted accordingly. The underlying trend remains unchanged.

6 not including apprentices and trainees; FTE = Full Time Equivalent

7 MAQ = Number of reportable accidents (> 1 working day) x 1 million/number of working hours

8 USQ = Number of lost working days x 1 million/number of working hours

The title image of the corporate report "Sharing Values 2013"

is a collage from our "Wall of Inspiration." This online platform – launched on the occasion of Symrise's ten-year anniversary – asks the questions: Where do I get my inspiration? What are the moments that enrich our lives, our work and our everyday activities?

Our employees were and are able to post everything that they find fun and inspiring. This resulted in a vibrant patchwork of images that comes to life thanks to cultural differences and personal ideas and touches – truly a "Wall of Inspiration."

It is a piece of art, an expression of creativity and simultaneously a virtual reflection of our values.

Sharing **values**

Shared values *provide the basis for shared goals at Symrise: striving for economic success while taking responsibility for the environment, employees and society. We create value for all parties by integrating the interests of our stakeholders in our corporate activities at every level of the value chain. Sustainability is a fundamental element of our business model. It provides us with specific competitive advantages and secures the long-term success of our company.*



“My colleagues and I work in the background: We negotiate with suppliers, procure goods and services and quickly solve occasional problems that arise. In doing so, we ensure that our colleagues work under the best conditions and make an important contribution to Symrise’s success.”

Dennis Kang is a Purchaser in the
Technical Purchasing department in Singapore.

“Logistics is a complex business – particularly in a country such as India. The company must be able to depend on me completely. Transparency, honesty and humility are key character traits – both for my work and my life.”

Robert Kenengton is Head of Logistics for both divisions at the Chennai site in India.



“In a sense, every satisfied customer is an ambassador for our outstanding flavors. Furthermore, our work can serve to carry out our company’s motto and inspire our customers.”

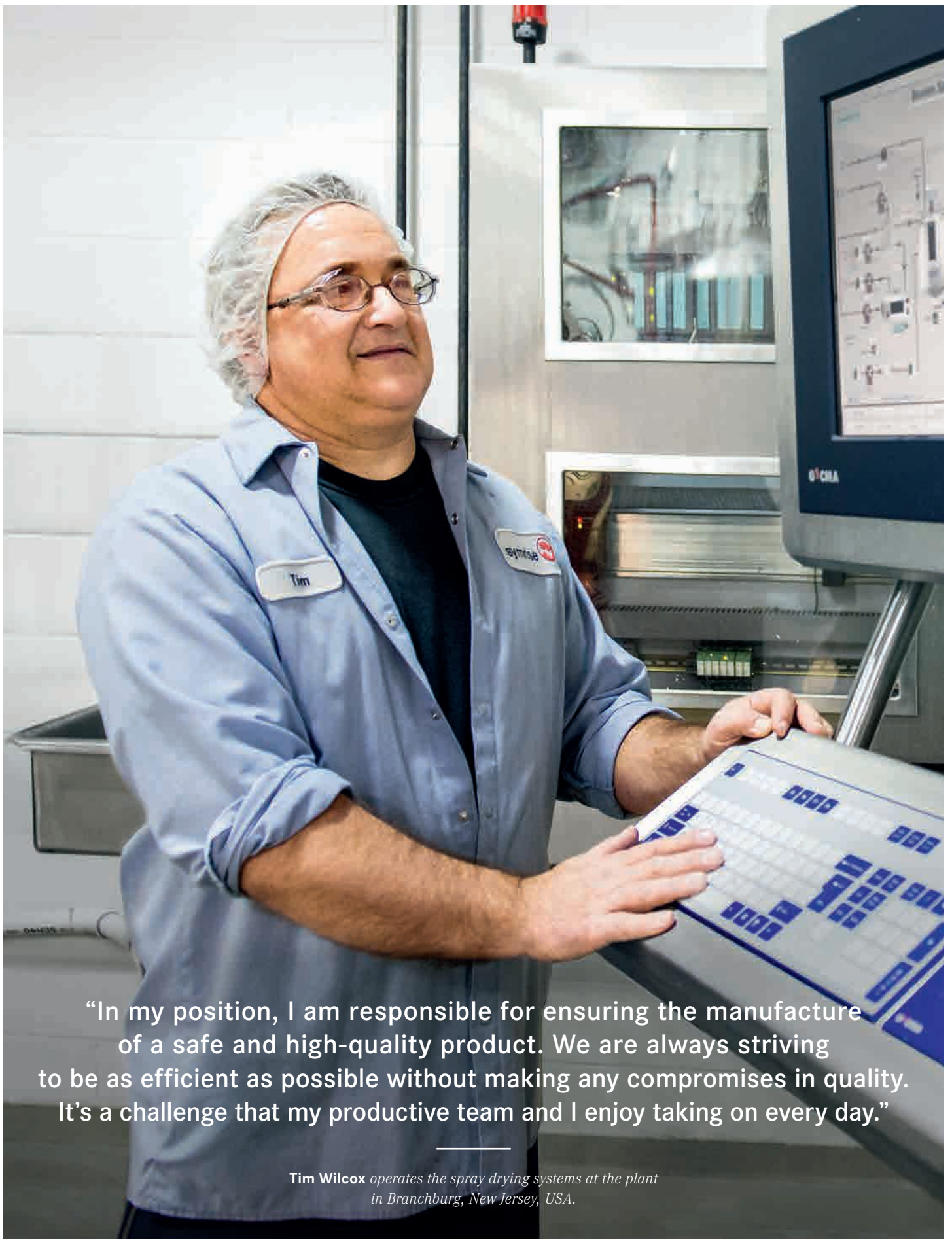
Edith Rivera works in Customer Service and Planning in the Flavor & Nutrition division at Symrise Mexico.





**“My job would be impossible without my colleagues.
We work hand in hand and have to be able to count on one another
at all times. Symrise gives us a great deal of freedom in how
we achieve our goal of comprehensively satisfying customer needs.”**

Agnieszka Zimnicka *is an Evaluator and Marketing Manager in the Scent & Care division.
She works in Poland and is responsible for Eastern Europe.*



“In my position, I am responsible for ensuring the manufacture of a safe and high-quality product. We are always striving to be as efficient as possible without making any compromises in quality. It’s a challenge that my productive team and I enjoy taking on every day.”

Tim Wilcox operates the spray drying systems at the plant in Branchburg, New Jersey, USA.



“I keep a constant eye on the market and am particularly proud of one business relationship with an NGO. The result was a product that allowed us to jointly serve the needs of people living on low incomes in a socially responsible, sustainable way.”

Aparecida Lopes is responsible for Latin America as
a Consumer & Market Insights Manager in Brazil.

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This printed report is a condensed version of the 2013 corporate report.
It was compiled in accordance with the Global Reporting Initiative's (GRI) G3 guidelines. The full report,
with its in-depth information, complete figures and comprehensive GRI index, is available at cr2013.symrise.com.
Links containing additional information are marked with the following symbol and sequential numbering.





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Dear Readers, Dear Friends of Symrise,

In 2013, we celebrated the ten-year anniversary of Symrise and look back proudly on another successful year. We increased sales and earnings while enhancing our sustainable positioning. You can read how we accomplished this in interviews and articles in the magazine section of this corporate report.

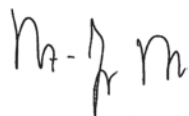
We want to show you how, where and why we invest: in sites, technologies and people. We also explain how the portfolio and customer structure at Symrise will develop as we move forward – and where the company plans to be in 2020. Successful and sustainable business are closely related: As a signatory of the United Nations Global Compact, we voluntarily committed ourselves to consistently upholding and implementing principles of responsible business.

With a report on onions, one of Symrise's most important raw materials, we show how the company sustainably and cost-effectively produces a globally used product via close cooperation with local farmers. Meanwhile, we source our vanilla from the other side of the world. With its commitment to over 7,000 farmers in Madagascar, Symrise takes on responsibility, establishing supply security and fulfilling high quality standards.

Another story describes how Symrise is investing in the Asia-Pacific region – placing an emphasis on the regional headquarters in Singapore and China's rapidly growing emerging market. Understanding the needs of consumers and fulfilling their wishes is one of the main tasks of the company – there and everywhere.

Around the globe, Symrise researchers and developers are working to develop the right products for these diverse groups. In this report, we also present a number of projects from our new research center in Holzminden. These will help ensure the company's future growth.

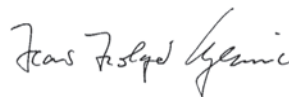
We hope that you enjoy reading about the interesting developments here at Symrise.



Dr. Heinz-Jürgen Bertram



Achim Daub



Hans Holger Gliewe



Bernd Hirsch

“Our strategy takes a long-term approach. We want to grow sustainably in order to secure our continued commercial success. In doing so, we strive to satisfy the needs of our customers and consumers in all regions and markets as well as those of our other stakeholders.”

Dr. Heinz-Jürgen Bertram



“We want to maintain our profitable growth as we move into the future. This means continuing to achieve a pre-tax yield between 19 and 22% – a margin that is ambitious, yet realistic.”

Bernd Hirsch



“The needs of an aging population and the growing awareness of healthy nutrition drive our business. That is why we are further expanding our Consumer Health application area and developing new products for foods with additional functional benefits.”

Hans Holger Gliewe



“With the acquisition of the US fragrance manufacturer Belmay, we opened up new growth fields. We will also continue to grow organically through our own efforts. In doing so, we will utilize new technologies and our own creativity.”

Achim Daub

Business Activities & Structure

1.8

€ billion

IN 2013, Symrise achieved sales of approximately € 1.8 billion, making it the fourth-largest company in the global flavor and fragrances market.

PROFILE

It would be a hopeless undertaking to search for the Symrise brand at local supermarkets or drugstores – the company doesn't market its products directly to end consumers. Instead, you will find products from our over 6,000 customers including manufacturers of foods, beverages, perfumes, cosmetics, personal care products, detergents and cleaners as well as pharmaceutical products and nutritional supplements. Although most consumers would not recognize the Symrise brand, practically all of them have products around their homes that contain ingredients produced by Symrise.

Overall, Symrise develops, produces and sells approximately 30,000 fragrances and flavors and cosmetic ingredients based on roughly 10,000 mostly natural raw materials, including vanilla, citrus products or flower and plant materials. The flavors,

perfume oils and active ingredients are generally central functional components in our customers' end products and often play a decisive role in consumers' purchasing decisions thanks to their effect on the end product's characteristics – such as its fragrance or taste. In addition, we provide biofunctional and bioactive ingredients and substances as solutions in the health and personal care application areas. A further focus for Symrise is on the development of products with additional benefits. Examples include flavorings that enable the sugar or salt content of foods to be reduced, or a moisturizing cosmetic ingredient that lowers the proportion of preservatives in care products. With these products, our customers can differentiate themselves from competitors with their tailor-made end products in the rapidly changing consumer goods markets.

Our product development is based on extensive research and development, which is supplemented by a wide-reaching external network of research institutes and scientific facilities. Since the preferences for flavors and fragrances can vary greatly from region to region, the comprehensive consumer research carried out in Europe, Asia/Pacific, North America and Latin America represents a central component of our R&D activities. Symrise has development centers notably in Germany, Brazil, China, France, Singapore and the USA. They create the foundation for developing marketable products that are successful over the long term and that meet the various needs of consumers in different parts of the world.

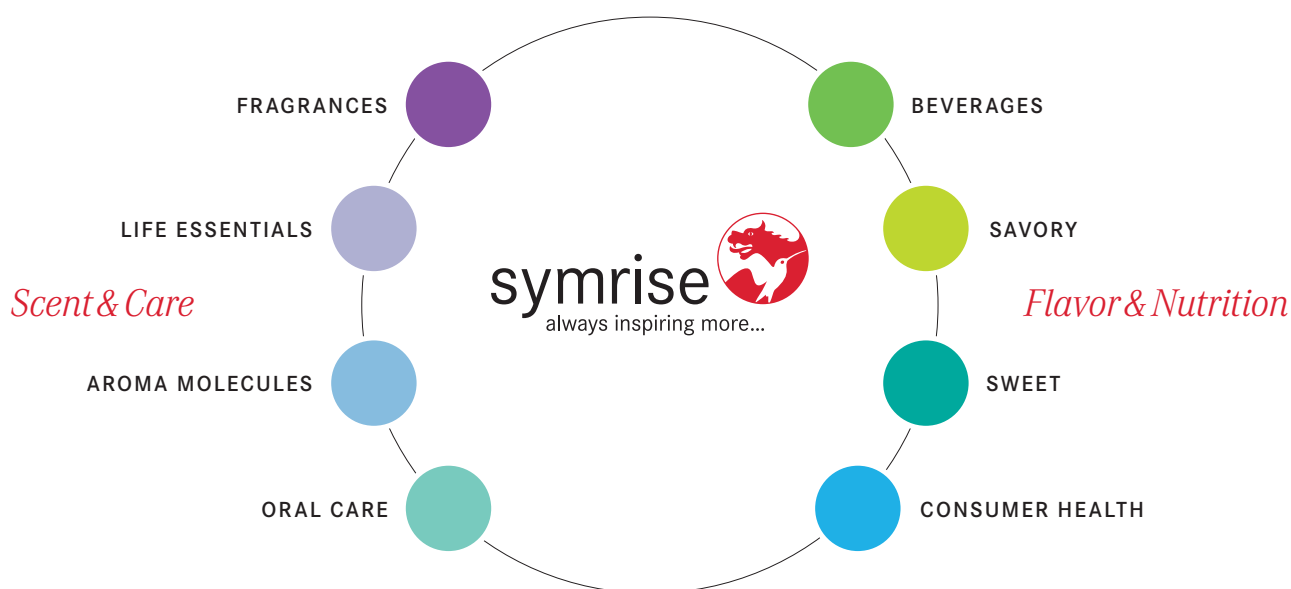
Along with our innovative spirit, our creativity and our reliable supply chain, our customers increasingly appreciate our commitment to sustainability and expect us to deliver it. Together with the pursuit of excellence and added value, with creativity, commitment and integrity, sustainability is firmly anchored in our values and our corporate strategy. We know that organizational success and responsibility go hand in hand. That is why we increasingly strive for shared value in our business activity.

The Symrise Group resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The company thus celebrated its 10th anniversary in 2013. Symrise's roots date back to 1874 and 1919, when the two companies were founded.

In 2013, Symrise achieved sales of approximately € 1.8 billion, making it the fourth-largest company in the global flavor and fragrances market. The company sells its products in 160 countries. In 2013, Symrise generated 52% of sales in industrial countries in Western Europe, North America and parts of Asia. A total of 48% of our sales were achieved in the emerging markets in Asia, Latin America, Africa, Middle East and Eastern Europe. Around 6,000 people work in the two business divisions at Symrise Group – Scent & Care and Flavor & Nutrition. With sites in 35 countries, we have a local presence in our most important sales markets.

STRUCTURE

The two divisions are responsible for our operating business. They each have their own research and development, purchasing, production, quality control, marketing and sales departments. Both business divisions are organized into four regions with separate regional managements: Europe, Africa and the Middle East (EAME), North America, Asia/Pacific, and Latin America. Their activities extend across several business units and application areas. In addition, the Group has a Corporate Center which encompasses the central areas of finance and controlling, corporate communications, investor relations, legal affairs, human resources, corporate compliance, internal auditing and global process design.



SCENT & CARE

The Scent & Care division's product portfolio includes fragrance compositions, cosmetic ingredients, aroma chemicals and mint products sold in roughly 135 countries around the world. Major subsidiaries are located in Brazil, China, Germany, France, Mexico, India, Singapore and the USA. Overall, the division has sites in 33 countries. Scent & Care's activities are divided into the Fragrances, Life Essentials, Aroma Molecules and Oral Care business units, where our products are used in various application areas:

Fragrances: Perfumers combine aromatic raw materials like aroma chemicals and essential oils into complex fragrances (perfume oils). Symrise's perfume oils are used in perfumes (Fine Fragrances application area), in personal care products (Personal Care application area) and household products (Household application area).

Life Essentials: The business unit is divided into the Cosmetic Ingredients and UV Protection application areas. The products manufactured in this business unit are used in skin care products, hair care products, sun creams, after-shave balsams, shower gels, wash lotions, shampoos and deodorants. A particular focus for the business unit is on products with nurturing properties and alternative preservatives.

Aroma Molecules: The business unit comprises the Sensates (Menthols), Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals application areas. In the Sensates application area, Symrise manufactures nature-identical menthol, which is primarily used in the manufacture of oral care products, chewing gum and shower gels. Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals encompass aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used for Symrise's own perfume oil production and are also sold to consumer goods manufacturers, who make perfume oils from them.

Oral Care: Here, Symrise offers the entire product range of mint flavors and their intermediate products for use in toothpastes and other oral care products.

FLAVOR & NUTRITION

The product range for the Flavor & Nutrition division consists of flavors used by our customers to give their food and beverage products their unique taste. Symrise supplies individual flavorings used in end products as well as complete solutions, which, apart from the actual flavor, can contain additional, functional raw materials, food coloring or microencapsulated components. The globally operating Consumer Health application area serves, among others, the growing market for food supplements and pharmaceutical preparations. The business division's products are sold in 140 countries. The business division has sites in more than 30 countries in Europe, Asia, North America, Latin America, Middle East and Africa. It has central offices in Brazil, China, Germany, England, France, India, Japan, Mexico, Singapore and the USA. The flavors and ingredients from Symrise are divided into four application areas:

Beverages: Our flavorings and beverage bases are used in non-alcoholic beverages such as refreshment drinks, fruit juice drinks, energy and sports drinks, tea and coffee drinks, mixed milk drinks and functional drinks. Symrise also produces powdered flavors for instant beverages such as tea and coffee specialties. The range of offerings also includes flavorings, distillates and extracts for nearly all common types of alcoholic beverages.

Savory: This application area includes meat flavors, herb and vegetable extracts, flavor compositions for soups, sauces and instant foods as well as seasonings for snacks. Special Symrise flavorings allow for the reduction of the salt and fat content of foods with no loss of flavor.

Sweet: This application area includes sweets, baked goods, ice cream and dairy products. A focal point relates to products with improved release of flavor and flavor systems with masking properties that conceal the often unpleasant flavor of functional ingredients.

Consumer Health: This application area includes natural, functional ingredients to promote heart and digestive function, flavoring solutions and aromatization for pharmaceutical products as well as natural food colors and coloring foods (specialties).

Symrise Sites **2013**

● Symrise sites ● Regional headquarters



35 *Countries*

WITH SYMRISE SITES in 35 countries, we have a local presence in our most important sales markets. Symrise products are sold in around 160 countries worldwide.

Values, Goals, Strategy



SHARED VALUES provide the basis for shared goals at Symrise:
*striving for economic success while taking on responsibility for the environment,
employees and society.*

OUR MISSION

Symrise is recognized worldwide as a leading provider of fragrances and flavors and of basic ingredients and active agents for the perfume, cosmetics, pharmaceutical, food and beverages industries. We understand the needs of consumers in various places around the world. Based on this knowledge and combining it with creativity and ground-breaking technologies, we develop solutions that offer our customers real added value. We strive to ensure sustained value creation and allow our employees and shareholders to participate in the company's success.

In 2013, Symrise looked back on ten very successful years of corporate development: Together with our customers, we increased sales and earnings every year. Recognizing important trends at an early stage and quickly incorporating these into new products allowed Symrise to grow faster than the market. Finally, our success is closely tied to our values, which are reflected throughout the company.

COMMON VALUES, COMMON GOALS

The motto for our corporate report, “Sharing Values,” highlights the fact that people at Symrise have common values: We want to be the most successful company in our industry over the long term, while enhancing our market position and maintaining our independence. We are aware that economic success, sustainability and social acceptance are inextricably linked. Our economic goals are closely tied to the responsibility we live by and feel every day for employees, the environment and society. The Symrise set of values forms the foundation of how we think and act and also determines our corporate culture. “Because we care” is the guiding principle of Symrise’s commitment to a holistic understanding of its entrepreneurial activity.

In order to expand our market position, sales should grow faster over the long term than the average market volume. This means that Symrise will be increasing its market share and expanding its lead over competitors. At the same time, Symrise has set itself the goal of being among the industry’s most profitable companies. By taking into account the requirements of various stakeholders at all stages of the value creation process, we are creating values for all: “Sharing Values.” Symrise is continually refining its integration of economic, environmental and social goals and strategies.

ON THE WAY TO AN INTEGRATED CORPORATE STRATEGY

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. In this way, we are making sustainability an integral part of our business model and turning it into a clear competitive advantage. The goal is a completely integrated corporate strategy.

STRATEGIC APPROACH: GROWTH

The global AFF market (Aroma Molecules, Flavors & Fragrances) relevant for Symrise has a volume of € 17.4 billion and is achieving average long-term growth of around 2 to 3% per year. Symrise’s market share is currently about 11%. We want to expand this market share via above-average annual growth of 5 to 7% (CAGR). By 2020, we aim to have increased our sales by more than € 1.0 billion compared to 2012. To accomplish this, we are focusing on three levers:

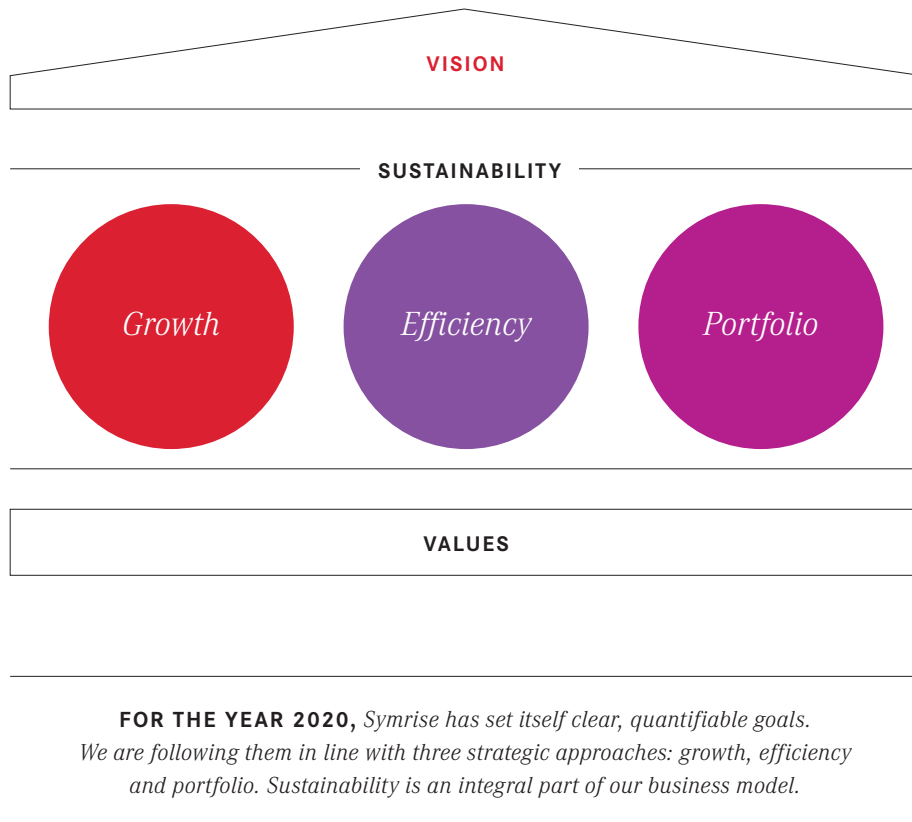
GROWTH BASED ON A BALANCED CUSTOMER PORTFOLIO

Symrise’s customer portfolio consists of equal parts international customers, regional customers and locally operating customers. This balanced customer structure allows Symrise to operate in every global growth region while reducing its dependency on individual customers, markets or regions. In our core competencies – such as citrus, vanilla and mint – Symrise is one of a handful of providers able to maintain constant product quality at all volumes for its customers throughout the world. To ensure product quality and supply security, backward integration plays a major role with our key raw materials as do long-term contracts with our suppliers. Our goal is to cover roughly 40% of our raw material needs with backward integration by 2020. By doing so, we also reduce the impact of volatile raw materials prices on the performance of the business. Another success factor for Symrise is in the development of smart processes and structures aimed at efficiently serving the needs of our customers in all areas. Together with its customer companies, Symrise is serving the growing demand for sustainably produced and health-promoting products. By 2020, we want to source all of our strategically important raw materials from sustainable sources. With our intensive research and development activities, Symrise is in the position to separate itself from the competition and is a valued partner for leading companies in our customer industries. Our close cooperation with important customers in product development also enhances customer loyalty.

EMERGING MARKETS REMAIN A KEY FOCUS

Symrise’s early focus on the rapidly expanding and highly populated emerging markets contributed significantly to the company’s above-average growth these past years. We want to continue this trend. Within the framework of our long-term strategy through 2020, we are striving to expand our share of Group sales originating from emerging markets up to approximately two-thirds. The rising standard of living in broad segments of the population in these regions is creating new consumer needs. As a result, consumer expenses are increasing much faster than the global average in Latin American, Asian, Arab, Eastern European and African countries and this trend is expected to continue in the medium to long term. True to the motto “all business is local,” we believe a good understanding of the local conditions, markets and consumers is a major key to the successful further expansion of our business. Thus Symrise is represented in key emerging markets with its own operating facilities. With our investments in these markets, we are creating jobs with working conditions in accordance with the International Labour Organization (ILO) and

Symrise Business Strategy



often considerably better than the local norms. By regionally sourcing our raw materials and intermediate products, we also indirectly support additional jobs for the local population. Symrise's high standards for product quality and sustainable production apply to our local sourcing as they do throughout our operations. Furthermore, Symrise is committed to local social issues at its locations.

INNOVATION AND TECHNOLOGY DRIVE EXPANSION

Market and consumer research, research and development, creation, marketing and sales are closely intertwined at Symrise. Based on the results of our market and consumer research, Symrise has established a highly efficient research and development

process for new products and applications aimed at optimally satisfying customer needs. The resulting new business units and innovative application areas, which show greater growth potential than the general market for fragrances and flavors, give Symrise a unique profile on the market and offer additional growth opportunities. Symrise is constantly making use of potential from three megatrends: health and well-being, beauty and care, and sustainability. For example, we are committed to skin protection and healthy nutrition and offer our customers innovative products with additional health benefits. At the same time, our research and development activities are focused on reducing the fat, sugar and salt content of foods without compromising flavor. With regional research and development centers, such as those in

São Paulo (Brazil) or Shanghai (China), Symrise is in a position to adapt to local preferences in a targeted manner when designing products. Furthermore, we receive valuable impulses for innovative products and processes from our various partnerships with research institutes and universities. These partnerships allow Symrise to develop chemical processes by successively applying “green chemistry” in order to minimize energy consumption and environmental impacts. Using “white biotechnology,” we are also increasingly able to optimize production processes and make them more environmentally friendly. Finally, we make use of renewable raw materials wherever possible.

These three strategic levers, which Symrise uses to drive the organic growth of the company, are supplemented by selective acquisitions or strategic partnerships as long as these strengthen our business model.

STRATEGIC APPROACH: EFFICIENCY

The second approach of our corporate strategy is the continuous efficiency improvement of our operational processes and the focus on products with a high level of value creation. Symrise has developed from its medium-sized roots into a corporation with global reach. Though much has changed, cost-consciousness remains a firm part of our corporate DNA. We are constantly seeking to find even better methods for supplying our products in a cost-effective and environmentally friendly manner at a consistently high level of quality. We strive to further optimize our cost structures along the entire value creation chain. Our goal is to achieve a sustainable EBITDA margin between 19 and 22% every year. Accordingly, we aim to generate an EBITDA of more than € 500 million by 2020. At the same time, we want to continually increase the economic and ecological efficiency of our company’s business activities. The most important tool for this is Total Productive Maintenance (TPM). Since 2007, we have implemented well over 2,000 improvements as part of this standardized process. Our goal is to achieve measurable efficiency gains each year. At the same time, TPM enables us to ensure that changes in production processes have a positive effect on our sustainability performance. In addition, we use balanced scorecards to optimize the core areas of quality, service, costs, safety and employees. Together with our customers, we have established an integrated supply chain management system in the form of the Symchronize™ initiative, which comprises the entire value creation chain from raw materials procurement to the customer’s end product. Likewise,

our comprehensive approach to environmental management includes – together with ambitious, long-term goals to reduce energy consumption, CO₂ emissions, and water consumption as well as waste and waste water emissions – a systematic process for continuous improvement. Overall, we want to reduce our environmental footprint by one-third by the year 2020, while successful productivity improvements increase the company’s investment strength and open up distribution options for employees, shareholders and other stakeholders.

STRATEGIC APPROACH: PORTFOLIO

The enhancement of our product portfolio comprises the third pillar of our corporate strategy. We tap new markets and segments, and constantly seek to expand our expertise in the areas of nutrition and care. Symrise is active in dynamic markets – new ideas, new challenges and opportunities are simply business as usual. We want to further separate ourselves from the competition by anticipating consumers’ changing needs and preferences as soon as possible and fulfilling them quickly, efficiently, creatively and ecologically. At Symrise, innovation doesn’t begin with the research and development of a product, but earlier – with the market research that leads to insight and knowledge. Symrise initiated a paradigm shift in the industry: We no longer start by talking about molecules or technologies, but rather focus on the consumers. Our customers need a strong and creative partner for innovation. And innovation doesn’t stop with the manufacture of our products. The close networking of our established business units with new units at the technical level, as well as via the same consumer clusters and customers, offers us substantial synergy potential, of which we systematically take advantage. The Life Essentials business unit has been created in the Scent & Care business division. This is where Active Ingredients – the highly effective substances for cosmetic care that slow the aging of the skin, soothe irritated skin or have an anti-bacterial effect – are located, for instance. In the Consumer Health application area, Symrise develops natural, functional ingredients that promote heart and digestive function, for example. In the Flavor & Nutrition business division, about one third of our research and development budget for 2013 was in the area of healthier nutrition. In all application areas, the proportion of products contributing to health and well-being amounted to 26% of our sales in the 2013 fiscal year. By focusing our product portfolio on the areas of health and well-being, Symrise sets itself apart from the competition, produces tangible benefits for end consumers and paves the way for long-term growth potential.

Goals & Measures

ECONOMY

Long-term goals		Status in 2013	Goals / measures in 2014
Growth	Our sales should grow faster than the market over the long term (2 to 3 % per year on average)	Sales growth: +6 % to € 1,830 million Fourth largest company in the F & F industry Market share 11 % ¹	Sales growth > market growth
	We want to consistently be among the most profitable companies in the industry	EBITDA margin: 20.4 %	EBITDA margin: about 20 %
Profitability	We want our shareholders to participate in our economic success by way of the attractive dividend we distribute	Dividend proposal for fiscal year 2013: € 0.70 per share Earnings per share: € 1.46	Earnings per share > 2013
	The ratio of net debt ² to EBITDA should be in a corridor between 2.0 and 2.5 in the medium term ³	Net debt ² / EBITDA: 2.0	Net debt ² / EBITDA: 2.0 to 2.5
Finances	An increase in the proportion of products in our portfolio that contribute to health and well-being	26 % of sales (2012: 25 %)	Continued above-average growth in the Life Essentials and Consumer Health segments
	We develop new active ingredients for healthier nutrition and skin protection	New research center opened and research loan of € 125 million obtained. Focus: functional ingredients for cosmetics and healthy nutrition	Continued emphasis on research and development in these areas
Portfolio			

¹ Related to the relevant AFF market of € 17.4 billion • ² Including provisions for pensions and similar obligations • ³ It is possible to exceed this range in the short term, by making acquisitions within the framework of our strategy, for example.

ENVIRONMENT

Long-term goals		Status in 2013	Goals / measures in 2014
	33 % less CO ₂ emissions by 2020 ¹ 33 % less energy consumption by 2020 ¹ 33 % less waste volumes by 2020 ¹ 33 % less water consumption by 2020 ¹ 33 % less wastewater production by 2020 ¹	Change of – 9.3 % ¹ Change of – 9.1 % ¹ Change of – 16.9 % ¹ Change of – 8.3 % ¹ Change of – 12.3 % ¹	CO ₂ emissions: – 4 % ² Energy consumption: – 4 % ² Waste volumes: – 4 % ² Water consumption: – 4 % ² Wastewater production: – 4 % ²
	Reducing the environmental impact of our processes and systems	Planning a new, energy-efficient powerplant; 66 % of our raw materials (by volume) are now covered by Carbon Disclosure Project (CDP) Scope 3 reporting guidelines	Setting up a framework program on biodiversity conservation and a research cooperation on biodiversity impact assessment
Minimizing Our Ecological Footprint	Continually increasing process efficiency	Independent DQS audit of internal processes in research, development, manufacturing and sales with regard to (environmental) efficiency	Transfer recommendations from the audit into business processes
	Improving the environmental impact of strategic synthetic raw materials ⁸	Opening of a catalysis laboratory to advance strategic research in green chemistry	Research projects on renewable sources of key raw materials
Consistent Application of Sustainability Criteria		– GAP ⁵ certification for our onions – Expansion of SAN ⁴ certification for our vanilla – CENSO ⁶ certification for our lavandin – Launch of sustainable shea butter from Ghana	Developing a corresponding performance indicator; expanding our total portfolio of certified raw materials and the volume of our RA ⁷ certified vanilla
When Sourcing Raw Materials	Source 100 % of key agricultural raw materials from sustainable sources by 2020 ³		

¹ Compared to the base value from 2010 per ton of product produced • ² Compared to the previous year's figure per ton of product produced • ³ The previously separate goals "Increasing the share of raw materials that meet agricultural sustainability standards" and "Increasing the share of raw materials certified according to sustainability standards" have been developed into this new, quantifiable goal.
⁴ Sustainable Agriculture Network • ⁵ Good Agricultural Practice • ⁶ CENSO is a sustainable development approach for the French lavender and lavandin essential oils sector. • ⁷ Rainforest Alliance • ⁸ For the sake of clarity, the goal "Performing sustainability and risk evaluations for key raw materials" has been included here. In 2013, it has been addressed by the development of specific environmental impact metrics for aroma raw materials.

EMPLOYEES

Long-term goals		Status in 2013	Goals / measures in 2014
Constantly Increasing Employer Attractiveness	Minimizing unwanted employee fluctuation	Fluctuation rate: 4.4 % (previous year: 5.3 %)	Further reduction of the fluctuation rate
	Active involvement of our employees in the company's development	Implementation of measures derived from the International Employee Engagement Survey 2012	Maintain regular feedback sessions and team events like townhall meetings
	Transparent communication with our employees	Redesign of internal online media and launch of new "SymPortal" employee platform	Train employees in the use of "SymPortal" and continue implementation
	Providing appropriate and relevant professional development measures	Professional development expenses: € 2.7 million (previous year: € 2.5 million).	Targeted support of our employees with training and professional development through career@symrise
Expansion and Retention of Employee Know-how	Encouraging professional development and the assumption of responsibility	Implementation of the introduced placement ratio guidelines for internal applicants	"Symrise Future Generation": Prepare 20 to 30 young talents for key positions on the basis of an individual talent management approach
	Introduction of an initiative for career development: career@symrise	Individual career development and succession planning within career@symrise for all manager and director level positions	Promote cross-functional and cross-regional know-how transfer through team events and assignments
Promoting Diversity Among Our Employees	Promoting the diversity of expertise	Recognition by the Women's Career Index for high efforts in promoting women at work organizing their family life in parallel	Implement a new long-term goal: "Increasing the share of women in leadership positions to 20 % by 2020"
	High proportion of local employees	> 90 % (at previous year's level)	
Maximizing Occupational Safety and Health	Low accident rate (MAQ) ¹	MAQ: 5.3 (previous year: 5.3)	Continuation and Expansion of "Symply Healthy" awareness campaign and intervention program
	Low accident severity (USQ) ²	USQ: 51 (previous year: 99)	

1 MAQ = Accidents subject to reporting requirements x 1,000,000/working hours (accidents subject to reporting requirements > 1 working day) • 2 USQ = Sick days x 1,000,000/working hours

SOCIETY

Long-term goals		Status in 2013	Goals / measures in 2014
100 % Responsible Sourcing	Assessment of our 250 most important suppliers according to SEDEX criteria by 2015	> 190 suppliers have been assessed	Assessment of at least 50 more suppliers according to SEDEX criteria
	Development and expansion of strategic initiatives on sustainable sourcing with a focus on creating shared value	Expansion of initiatives on vanilla, onion and lavender	Unilever, Symrise and GIZ ¹ (on behalf of BMZ ²) launch a 3-year program to support livelihood improvement for 4,000 vanilla farmers in Madagascar
	Cooperating with NGOs and other stakeholder groups to promote sustainable sourcing ³	Co-development of a code of conduct for vanilla sourcing within the Sustainable Vanilla Initiative (SVI) framework; Joining the Sustainable Spices Initiative (SSI)	Becoming an active member in the Sustainable Spices Initiative and developing project partnerships
	Encouraging the involvement of our employees in social projects and development of a company-wide volunteer program	Volunteer teams were formed at sites in every region, in which employees lend their time and efforts to social and ecological projects – during their working hours and beyond	Setting up a framework program "Inspired by Nature" with a focus on employee awareness and commitment with regard to biodiversity conservation
	Evaluating needs in the areas around our sites and initiating relevant and focused projects	Our local Care Teams have initiated many locally relevant projects; as an example, our teams in Asia joined forces to provide relevant help after taifun "Hayan" had hit the Philippines ➡ 2	Assessing the success of these projects and further assigning budget and resources to these areas
Promotion of Social Projects Relevant to Our Mission ⁴	Establishment of a global guiding principle for our social commitment – Symrise. Because We Care.	Guiding principle has been established and corresponding projects are in place, e.g. social and environmental volunteer days in different countries	➡ 3

1 GIZ is a German federal enterprise with operations around the globe. It supports the German Government in the fields of international cooperation for sustainable development and international education.
2 BMZ is the German Federal Ministry for Economic Cooperation and Development • 3 The previously separate goals "Promoting industry standards for sustainable sourcing" and "Cooperation with NGOs and other stakeholder groups" have been merged. The new goal is: "Cooperating with NGOs and other stakeholder groups to promote sustainable sourcing". • 4 The wording and consequently the focus has been adjusted: "Promotion of Social Projects with a Focus on Education and Health" now reads "Promotion of Social Projects Relevant to Our Mission".

Strategic Acquisition

In March 2013, Symrise acquired the Belmay Group's global fragrance business. Both the product and customer portfolio optimally supplement the existing activities of the Scent & Care division. At the same time, we are strengthening our growing presence in North America, which is Belmay's core market.

Profitable Growth

In 2013, our sales rose by 6% to over € 1.8 billion – and thus once again grew more quickly than the market. The operating result reached € 373 million and the earnings margin could be expanded to 20.4%. Our shareholders should be able to partake in this success with an increase of the dividend to € 0.70.

Sustainable Networking

In 2013, Symrise became a member of the Sustainable Spices Initiative (SSI). The sustainable cultivation and purchasing of spices is a central focus for both Symrise and the SSI. This made membership in the SSI the next logical step for Symrise in its sustainability efforts. Together with customers, suppliers and NGOs, we want to actively cooperate with the SSI, sharing our knowledge while gaining new experience.

High

Green Company

DQS has certified Symrise as a "Green Company." The certification confirms the high transparency and accountability of our internal corporate processes with regard to products, services and environmental standards.

Pioneer in Responsible Sourcing

Symrise is one of the first fragrance companies in the industry to purchase CENSO-certified lavandin oil. This secures Symrise's access to a key natural raw material for fragrance creation while promoting the sustainable development of the French lavender and lavandin oil industry.

New Research Center

Work at the new Symrise research center in Holzminden began following the festive opening celebration in April 2013. Symrise has invested € 10 million in the new building. With the new building, the company is promoting the interdisciplinary research dialogue between its two divisions, Scent & Care and Flavor & Nutrition. A special point of emphasis was placed on developing functional ingredients for healthy nutrition and conscious personal care.

Per year, the Group spends more than € 100 million on research and development.

Advancement of Women

Symrise volunteered for an assessment of its performance regarding aspects such as women in management positions, internal commitments on promoting women and overall conditions for the advancement of women. The result: With a score of 72 on the Women's Career Index, we are in the top third of participating companies in Germany. The Women's Career Index is an initiative of the German Ministry of Family Affairs.

lights

Green Chemistry for the Environment

In order to further expand our research focus on green chemistry, Symrise opened a catalysis laboratory in 2013: Here, we research new catalytic methods for manufacturing aromatic substances and flavors while also optimizing existing methods. In this way, we aim to increasingly develop high-quality products with a reduced environmental impact and take on the upstream stages of production in terms of backward integration. The project is being funded through the NBank via funds from the European Regional Development Fund (ERDF).

Recognized Excellence

Our initiative for sustainable vanilla creates added value for everyone – for the farmers, for us, for our customers and for consumers. This commitment was recognized in 2013: At the Food Ingredients Europe (FIE) trade fair, Symrise received the FIE Excellence Award in the sustainability category.



Local Heroes

IT IS ONE OF THE MOST important ingredients in nearly every savory dish worldwide, bringing both spice and sweetness. For Symrise, it is also a shining example of efficiency: the onion. The company purchases the vegetable from the surrounding vicinity, making long-term agreements with suppliers while minimizing transport, storage and energy costs. In the end, the onion is in roughly 8 % of all Symrise products and is therefore one of our top raw materials.

•

PHOTOS Marcus Pietrek TEXT Marc-Stefan Andres



*On the fields near Bisperode, harvesting machines leave the onions in rows to dry after being dug up.
A few days later, they are transported to the storage warehouse by truck.*



Employees test the vegetables' pH levels directly after harvesting to verify the product's quality.



Dr. Felix Schuppert (right) is responsible for purchasing agricultural raw materials at Symrise. Together with farmer Markus Stukenbrock, he surveys the harvest and checks the storage conditions on site (right image).

20 hectares of harvested onions, reaching as far as the eye can see. Markus Stukenbrock grabs one of the best-looking brown specimens, opens his knife and slices through the peel and white flesh. “Looks good,” he says and hands the fist-sized sample to Dr. Felix Schuppert. The Symrise employee responsible for purchasing agricultural raw materials wipes a little dirt from the dry outer layer. He examines the onion from every side, nodding in agreement. A high-quality onion.

One of Symrise’s most important natural raw materials is grown here in Bisperode, a town of 1,300 residents located just 40 kilometers from the company’s headquarters in Holzminden. The company uses the onion in 8% of its roughly 30,000 products – directly as onion juice concentrate or as a base material for flavors used in innumerable savory products. Felix Schuppert purchases over 5,000 tons in the fall of 2013 in order to have 15 months’ worth of raw materials available. A major portion of these come from Stukenbrock. “We calculate an adequate buffer into our planning because we are working with a natural resource that is subject to weather-related cultivation and harvest fluctuations.”



Demand for onion products is constantly rising – as are the purchase quantities. Symrise has been developing products from the crop for more than 60 years. The end products are sold predominantly in Europe, but also in other markets as well. Markus Stukenbrock is one of Symrise’s main suppliers of onions. He entered into a six-year contract with the company in 2011. “Planning security is very important for us,” says the 32-year-old, who runs the family farm together with his father and two local colleagues as a farming cooperative. The partnership’s long-term nature is also seen in the example of his predecessor, who filled orders for the company for over 20 years and later helped Stukenbrock take over. “He ended operations here in the region, but helped me through the transition phase for more than a year,” he explains.

Sustainable Farming

Along with two other suppliers, the agricultural economist grows Sturon onions, which proved to be the most suitable onion species for the local conditions in and around Holzminden according to a joint research project by Symrise and the University of Hohenheim. The land Stukenbrock uses for growing onions consists of about 80 hectares: “We rotate our crops with wheat, potatoes, sugar beets and onions, which are only planted every seven years.” The GAP-certified farm, which stands for “good agricultural practices,” does this to avoid over-farming the soil. When order quantities rise, Markus Stukenbrock can call on colleagues from the region to help meet demand. “We change hectares every year to allow for the best possible soil maintenance.” After the harvest, Stukenbrock stores the vegetables in a large warehouse, which is equipped with an onion dryer, in order to respond as accurately as possible to Symrise’s production needs. He had the warehouse built specifically for the Symrise contract. “This kind of investment is only possible when you have a fair and reliable partner.” Felix Schuppert shares that viewpoint. “We benefit from this arrangement as well, as we receive a product that is traceable and provides supply security. It also allows us to distance ourselves somewhat from fluctuating market prices,” says the Symrise purchaser. The contract between the parties also facilitates a special partnership, with Symrise making assurances to cover unforeseeable price increases in diesel, insurances or fertilizer while also retaining the opportunity to benefit from falling prices.



Short Supply Routes, Low Energy Consumption

The onions travel from Markus Stukenbrock's warehouse to Holzminden by truck through the winding roads of the Weser countryside. The trip is short and fuel consumption accordingly minimal. The truck stops next to a plain warehouse in the middle of the factory site. An employee peeks through a small window into the green bed of the truck to quickly confirm its contents. He gives a sign and the driver uses the hydraulic controls, allowing 25 tons of onions to slide off the bed into the storage clamp. The evaluation begins: A maximum of 2% of the onions can be damaged. Similarly, only a small percentage of soil or other substances found on fields is accepted. "If we find a higher than acceptable share of undesirable materials, the entire shipment has to be returned. These factors can impair the effectiveness of our processes – for instance if lactic acid levels are too high due to too many spoiled onions," says Steffen Grothe. The raw material also has to be "crackle dry," explains the Symrise competency manager for vegetables.

Incoming goods are closely inspected by a Symrise employee to ensure that the quality is sufficient for further processing.

Grothe supervises the entire value chain, develops new product concepts and advises key customers, who are increasingly interested in sustainable processes. Symrise is a good partner in that regard. "Our production processes use 100% of the vegetable," says Grothe. In practice, it looks something like this: The onions roll along a conveyor belt into the Symrise production halls. There they are washed, ground and pressed. Only a whitish, dry pulp is left, which is put into containers and will later wind up in biogas plants. The precious juice, however, flows into the three-part condensation system, which removes most of the water from the liquid. Next, the Symrise technology SymTrap® removes the final volatile aroma components and saves them for later use.

The main product is a golden, honey-like syrup, which Steffen Grothe displays in a small jar in his hand: onion juice concentrate. More than 500 tons of it will result from ten times as many tons of onions – pure, natural and without any additives. And it has the classic sweet-spicy scent of freshly cut onions. "One advantage of the product is its long shelf life, which allows us to forgo elaborate cooling processes," says Steffen Grothe. "This saves us a great deal on energy and related costs – representing a considerable contribution towards sustainability."



Despite their various technical skills, a refined sense of smell and taste remain among the most important competencies for Laurence Guibouret (left) and her flavorist colleagues.



Various flavors - with fresh, green, sweet, dark, roasted or slightly bitter notes - are made from the onion concentrate.



Symrise chef Harry Weber uses the culinary approach. His "prime beef with onion medley" is meant to inspire customers. It certainly left a pleasant impression with Annegret Mönnikes, Head of Application Technology, and Steffen Grothe, Competence Manager Vegetable Flavors.

100

NEARLY 100% of the onion is used by Symrise during the process:
The juice is used to make concentrate and flavors, while volatile flavor components
are recovered with the Symrise technology SymTrap®. The leftover dry mass
is used as fuel for a biogas plant.

The Culinary Approach

The onion juice concentrate can be shipped off to customers after passing an exact quality control inspection. It can be delivered in pure form or as one of the many onion flavors made from the concentrate. When it comes to searching for new applications for key customers, Harry Weber is the man for the job. However, the Symrise chef doesn't initially work with the onion products to achieve this aim. Instead, he starts with the culinary approach, working in multitasking mode. The 51-year-old steams an entire onion until it is nearly transparent, while turning up another burner in the Symrise test kitchen and moving a deep pan with onions wrapped in batter into the heat. A few seconds later, he turns a prime rib in a marinade while glancing at another pot simmering onions with cardamom and sake. The ingredients for "prime beef with onion medley" as he calls it. "The dish is intended to inspire our customers and show them the diversity and flexibility of onions," says Weber, who used to cook in restaurants and hotels around the world before starting his career in the industry.

The chef works in application technology, which is responsible for nearly all savory products – dried soups, sauces, instant foods, frozen foods, fish and meat preparations and mayonnaises. Onions that are roasted, fried, grilled, smoked, broiled or sautéed in butter have their place in 95% of all applications – usually as a flavor carrier or base material for various foods. "Without the onion, we wouldn't have a lot of dishes," says Weber, who doesn't tire of talking about fresh, green, spicy, sweet, buttery, lightly cooked, dark, roasted or slightly bitter onion notes.

In the case of his prime beef dish, he is using various ways of preparing onions to give everything that perfect flavor. If the end result of a creation tastes as good as he imagines, the recipe is passed on to the flavorists who aim to recreate the core flavors with various natural materials such as onion juice concentrate, essential onion oils and other flavors. These two teams work closely, as is seen in the way Harry Weber later tests the flavors that the flavorists develop based on natural products – assessing, for instance, whether the flavor functions in various mixtures, remains stable or maintains its flavor in preserves that undergo ultra-high temperature processing.

Close Cooperation in Product Development

The departments are also located close to one another: Laurence Guibouret and her flavorist colleagues are only one door down the hall. Every wall in the food technologist's office is covered with shelves that go up to the ceiling, which are filled with plastic

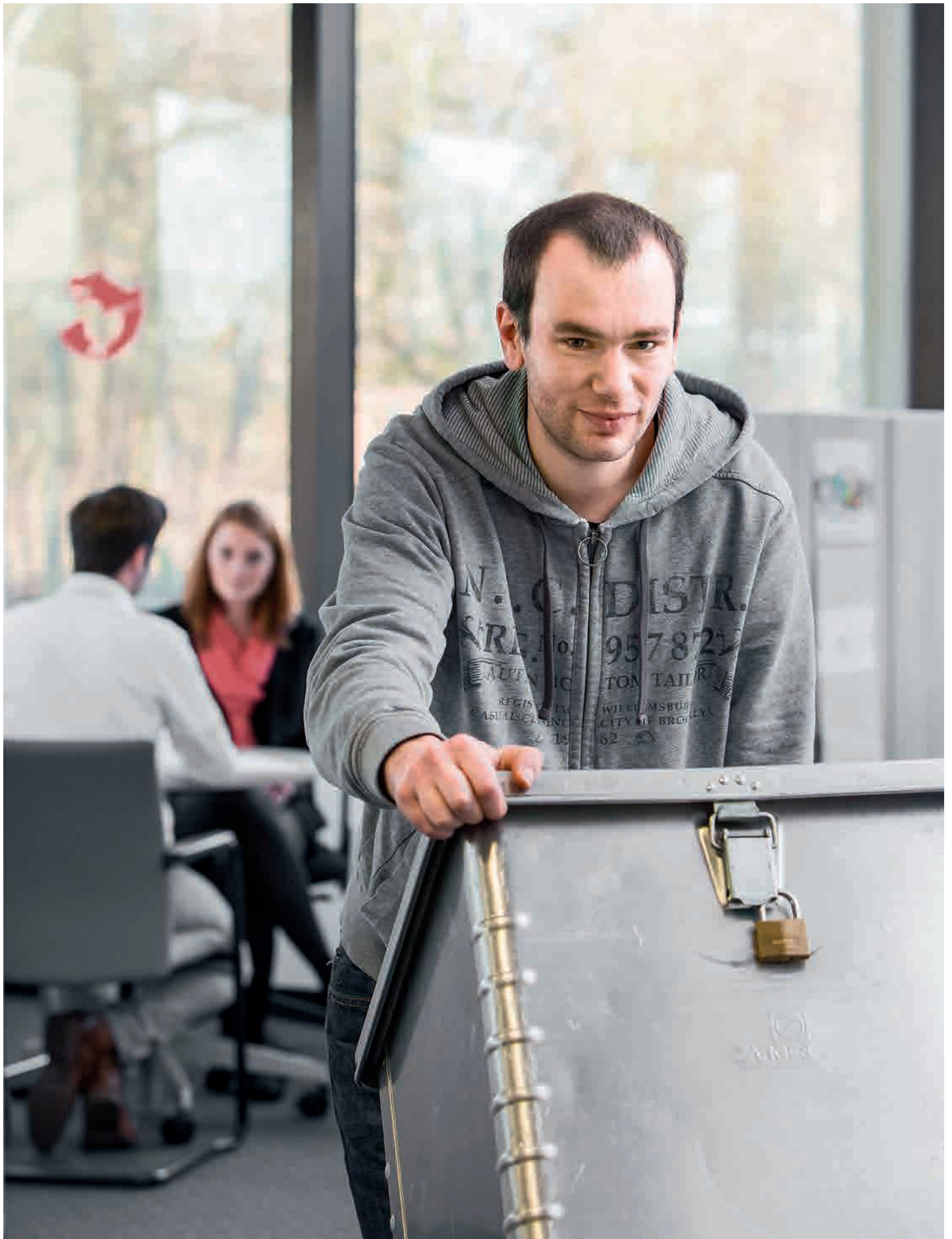
containers holding various flavors. The French native is mixing a roast chicken marinade using a dozen powders and a recipe printed on a piece of paper that she has placed next to her. Though perhaps only a small amount is used, one of the more than 50 onion flavors that Symrise uses daily in the laboratory will wind up in this product.

"We dissolve the mixture in salty, lukewarm water which allows the flavor to develop," says the chemical lab technician, who was trained as a flavorist at the renowned ISIPCA Institute in Versailles. Once the mixture is fully dissolved, it's time for a sampling: Taste, after all, plays a major role in her work. With the help of gas and thin-layer chromatographs as well as mass spectrometers, hundreds of flavors can be detected in a single food. Finding the little nuances that make the difference, however, requires a human touch. The challenge her job poses is constantly growing, says Laurence Guibouret. "We are using an increasing number of natural base materials, always paying close attention to possible allergens and, of course, the price factor for our products as well."

Trends and Experiences as Idea Generators

Laurence Guibouret spends a great deal of time with new products in cooperation with the application technology and marketing teams. "We use events like the upcoming 2014 FIFA World Cup in Brazil as inspiration," adds her colleague Annegret Mönnikes. The office of the Head of Application Technology, who also manages the test kitchen, is also located in the same hallway. "We offer our customers a wide range of products that have a local flavor: from meat marinades and seasoning pastes to delicatessen salads." Market research also is playing an increasingly important role at Symrise by analyzing global trends and incorporating these into products.

An important part of their work: Fulfilling customer wishes to replace certain raw materials, for example. "If a customer has been using onion powder, but now wants to switch to a standardized flavor due to availability, quality or pricing reasons, they wind up talking to us," says Annegret Mönnikes. Ideally, the customers send their initial base formula for products like bouillon cubes or instant soups. The application technicians test these products in order to meet the requested standards and keep costs as low as possible. "The process sounds very simple, but it really is quite complex as personal preferences play an ever expanding role." After all, everyone along the value chain agrees: The flavor experience is always the most important.



Working **Together**

THORSTEN SURBURG WORKS AT HAWETEC HOLZMINDEN, WHICH HAS COOPERATED WITH SYMRISE SINCE MANY YEARS. *140 people with mental disabilities work at the company, which takes on various tasks from other companies in the region. At Symrise, Thorsten Surburg distributes office supplies, digitalizes data or helps shred documents together with his colleagues Kai Kallinich and Friedhelm Bolte. Symrise sees the inclusion of disabled persons as an opportunity – as is further underscored by our engagement on the other side of the globe in Brazil. In cooperation with the Dorina Nowill Foundation, the company provides visually-impaired people with internships as perfumers or fragrance evaluators. So far, so good:
The first candidates have already been hired.*

At Home with **Consumers**

Creams, toothpaste, shaving gel and perfumes. Beverages, vegetables, fruits, meat and ready-made meals: People around the world use and enjoy these types of products every day. In this age of globalization, where the same product can be found in a village market in China and in a supermarket in New York City, preferences often overlap. And yet great diversity remains, depending on regional habits and income levels as well as purchasing and consumption behavior. A glance into refrigerators and bathroom cabinets around the world highlights the challenges faced by the experts at Symrise: They strive to understand the desires of end consumers and develop corresponding innovations that are ready for the market.



NEW YORK CITY, USA
Single, female, 42 years old, employed,
above average income



GERMANY

Apartment shared by five seniors, between the ages of 62 and 79, average retirement income



RUSSIA

Single, female, 35 years old, employed, average income



DUBAI

Single, male, 40 years old, employed, above average income



LONG ISLAND, NJ, USA
Large family, three generations,
average income



SOUTH KOREA
Family with one child, parents aged 42 and
46, employed, below average income



JAPAN
Single, male, 28 years old,
employed, average income



GERMANY

Senior couple, 68 and 72 years old,
average retirement income



JAPAN

Single, male, 28 years old, employed,
average income



INDIA

Couple, 40 and 45 years old with
one child, both employed, average income



DUBAI

Single, male, 40 years old, employed,
above average income

Dr. Bertram, Symrise celebrated its ten-year anniversary in 2013.

What were the most memorable moments for you from these last twelve months?

How would you rate the 2013 fiscal year overall?

How important is constant growth for Symrise?

**DO YOU ALSO INVEST
IN YOUR HEADQUARTERS
IN HOLZMINDEN?**

First of all, we invested a great deal in all of our key regions and markets over the past ten years – both in areas like research and development, production and various sales channels as well as in sustainability and our employees. The establishment of two new research and development centers in Brazil and here in Holzminden – where we also expanded production of menthol, our largest single product – are just one example from the last year. After winning the German Sustainability Award in 2012, we were certified as a Green Company in 2013 in recognition of our production processes as well as our efforts in areas like occupational safety and environmental protection. We also placed a greater focus on HR policy – on topics such as the advancement of women and working time models for all employees, for example.

It was a very good year, in which we once again achieved new records. In terms of sales, we grew by 6 % growth to € 1,830 million and achieved an EBITDA margin of 20.4 %. We have grown continuously since our Initial Public Offering (IPO) in 2006. These accomplishments are enabled by the three pillars of our corporate strategy: Growth – in which we generate sales with international, regional and local customers with an increasing focus on the emerging markets. Efficiency – which focuses on improving our processes sustainably. And our portfolio – which we enhance and in which we occasionally strengthen promising fields with acquisitions and partnerships.

We have been growing organically for years. We reinforce this growth through investments: In Brazil, we built a new development center to tap into one of the largest perfume markets. At the same time, we have been operating in China for 30 years. There, we are experiencing above-average growth and are further expanding our capacities. In addition, we are planning to build a new regional center in Singapore. And a new production plant for vanilla extraction will go into operation in Madagascar in 2014.

THE SITE REMAINS THE HEART OF OUR OPERATIONS. Along with the menthol production facilities, we recently invested in the consolidation of our mixing plant for flavors, which saves on costs and promotes greater efficiency. We will also be opening an extraction facility in 2014 that will help us extract more natural flavors from fruits, vegetables and spices from around the world. Energy efficiency is another area we are focusing on: At the moment, we are planning a new power plant, which should significantly reduce our dependency on fossil fuels.

A black and white photograph of a middle-aged man with dark hair, wearing a dark suit, white shirt, and a diagonally striped tie. He is standing in front of a large window, looking towards the camera with a slight smile. His hands are in his pockets.

**“We are optimally positioned
to further expand our
business in the core segments
and growth regions. We view
the achievement of our set
targets as confirmation of our
proven strategy.”**





WITH OUR NEW RESEARCH CENTER,
*we want to strengthen our expertise in research and development,
which represents the basis for our competitive position as well
our accelerated growth. A special point of emphasis was placed on researching
functional ingredients for healthy nutrition and
conscious personal care.*

Agenda 2020

SYMRISE'S THOUGHTS AND ACTIONS ARE GUIDED BY BOTH COMMERCIAL AND SUSTAINABLE PRINCIPLES. THE CORPORATE STRATEGY IS ORIENTED TOWARDS LONG-TERM GOALS. UNDER THE HEADING "AGENDA 2020," SYMRISE HAS SUMMARIZED THE AREAS OF FOCUS THAT WILL GUIDE ITS CORPORATE ACTIVITY IN EVERY REGION AND MARKET AROUND THE GLOBE FOR THE COMING YEARS.

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Symrise aims to increase its overall sales by more than € 1 billion by 2020, which would amount to total annual sales of € 2.7 to 2.8 billion. The average target growth rate for each year should therefore be between 5 and 7%. At the same time, the company wants to increase EBITDA to more than € 500 million. This corresponds to an annual EBITDA margin between 19 and 22%.

•

Symrise intends to grow with a clear focus on the emerging markets, such as China, India, Eastern Europe and Latin America. In the future, these markets should account for two-thirds of overall sales. At the same time, the company will maintain its robust customer structure, with each segment (global, regional and local customers) accounting for one-third of our business.

•

Symrise also set various goals for 2020 to ensure its continued sustainable supply of high-quality raw materials. The most important ten to twelve natural materials – including vanilla, oranges, cloves, lavender, eucalyptus and onions – should come from 100% sustainable sources by 2020. To ensure availability of these raw materials and therefore the basis for production, backward integration will be further expanded. It will grow to cover 40% of the company's sourcing.

•

Symrise is constantly researching new products and technologies that support further growth. The company will continue to place a particular focus on innovations – for instance, the promising fields of Life Essentials and Consumer Health, which Symrise can serve particularly well thanks to its organizational structure with the Scent & Care and Flavor & Nutrition divisions.

•

For years, Symrise has been committed to a more environmentally friendly and therefore more sustainable business. An increasing amount of products, buildings and individual processes are being replanned or converted to consume less energy, steam and heat while also reducing waste. By doing so, the company aims to reduce the CO₂ footprint of its products by 33% by the year 2020.

When you look at the company's portfolio, how do you see it developing in the coming years?

Over the past several years, we have closely examined the market and its customers. Developments like demographic change and the trends towards more health, naturalness and sustainability influence our business. Alongside our traditional areas of business, we are also becoming more active in the Life Essentials, Consumer Health and Aroma Molecules segments – areas that are underrepresented in our competitors' portfolios. Symrise is well-positioned for this: We can utilize the synergies of our two business divisions Scent & Care and Flavor & Nutrition. Through the acquisition of Belmay in the USA, we have enlarged our product and customer base in the fragrance segment and we gained valuable know-how in probiotics via our stake in the Swedish company Probi.

You have already set very concrete corporate goals for 2020. Why are you taking such a long view?

As a publicly listed company, we may submit quarterly reports, but we formulate long-term strategies and goals as well. We want to continually increase the value of our company while taking all our stakeholders into consideration. That's why we have established targets for the year 2020. These are meant to facilitate an even greater interlinking of our corporate and sustainability strategies.

THIS INCLUDES THE EBITDA MARGIN BETWEEN 19 AND 22 %. HOW DO YOU ARRIVE AT THIS FIGURE?

We take the industry's average margin and add a little to it. The reason for the range, rather than one fixed figure, is to account for various uncertainties. For instance, raw material prices fluctuate from year to year. These account for about 40% of our sales and are therefore the largest cost factor we have. Additionally, the current trend towards natural raw materials from renewable sources means increased purchasing costs. In order to compensate for this, we are increasingly shifting production to the larger markets and procuring goods locally. We are also implementing greater backward integration for our most important raw materials. This is one of our key goals for 2020.



Families **First**

TORSTEN KULKE HAS THREE CHILDREN – and understands just how important it is to have enough time for his family. Maintaining a close dialogue between employees and the company is vital when it comes to finding the right balance between work and family. Family-oriented HR policies have a high priority at Symrise: The company offers over 80 flexible working time models in Germany alone. Promoting a healthy work-family balance and career opportunities for women are constantly priorities at Symrise, which helps explain why the German Federal Ministry of Family Affairs ranked Symrise in the top third of participating companies in its Women's Career Index.

SHARING VALUES

Always on the Move



Always on the Move

Symrise serves all of the major markets around the globe as it seeks to drive further growth. The Asia Pacific region is a great example of this. Symrise is investing approximately € 30 million into the region's headquarters in Singapore. The Company is also banking on expansion, modern production technology and in-depth knowledge of consumer needs in the different countries in the region. This is evident from a peek into the fastest-growing emerging market: China.



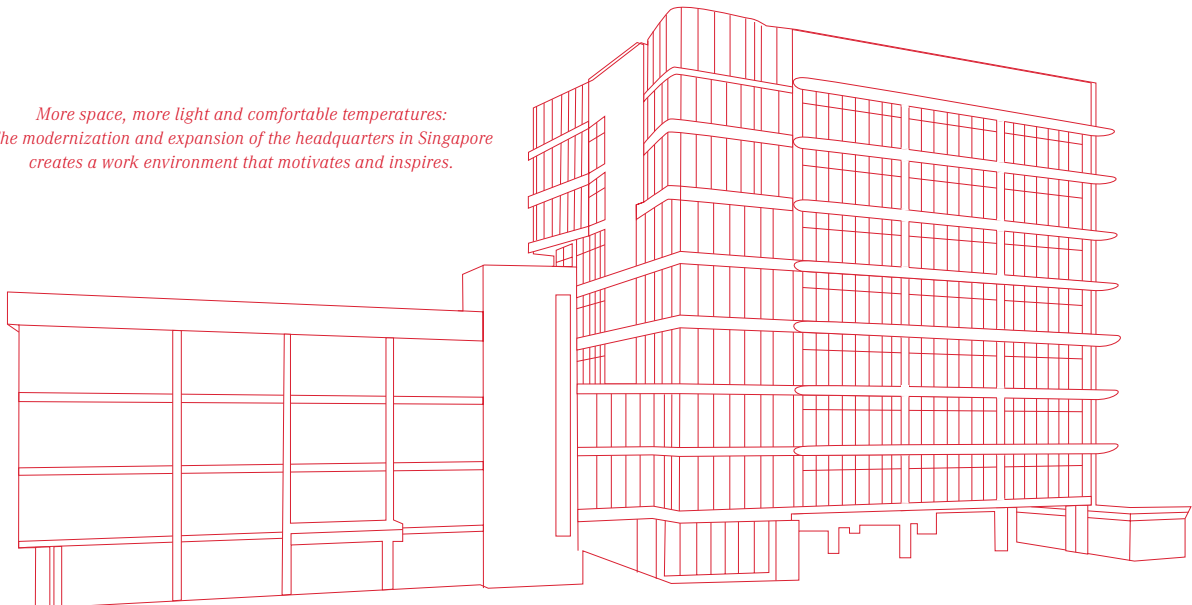
The plans spread out on the table in front of Mathys Boeren look promising. The sketches show two modern, black-and-white buildings located at Pandan Loop – a long road in an industrial park. “With this project, we want to take our site to the next level. We aim to do this via a targeted expansion of our regional headquarters for Asia,” says the trained chemical engineer, who is responsible for strategy, innovation and marketing in the Flavor & Nutrition division as Senior Vice President at Symrise Singapore.

“We will be bringing our two divisions even closer together by improving the spatial conditions on site for that purpose,” adds Norbert Braun, who heads the fields of innovation and technology for the Scent & Care division as Vice President and is overseeing the € 30 million project together with Mathys Boeren. “As one of the market leaders in our industry, we want to continually improve. We also aim to constantly enhance our reputation as an attractive and environmentally conscious employer.”

BUILDING ON A FIRM FOUNDATION

Symrise employs more than 550 people in Singapore, where a center is being built that will lead the Asia Pacific region with significantly improved infrastructure. Many factors speak in favor of the site. Symrise has been at the site since 1979 and has received a great deal of support from the Singapore Economic Development Board (EDB), which assists companies with their investments. “There are many English-speaking individuals here with solid educations – they hail from various Asian countries and therefore have deep insight into the diverse cultures,” says Norbert Braun. This is also important because Symrise is always

*More space, more light and comfortable temperatures:
The modernization and expansion of the headquarters in Singapore
creates a work environment that motivates and inspires.*





looking for fresh talent. Not that it is lacking in this area, with its very experienced and loyal employees in Singapore. “Some of our employees have been with us for 25 years. They are very ambitious, which is why we have to offer them a steady stream of exciting projects and excellent working conditions to stay ahead of the competition from other multinational companies in the city.”

This includes bringing more light and an improved sitting arrangement into offices and laboratories, explains Mathys Boeren while pointing to a section of the plans. “We want to create a welcoming and comfortable working atmosphere that inspires and motivates our employees.” The architects have to accomplish this while accounting for temperatures reaching up to 35 degrees Celsius daily as well as extreme tropical humidity. This represents a true challenge. “Cooling requires a great deal of energy, which is why we will be using double-glazed windows with special films to help reduce energy consumption and therefore our CO₂ emissions.”

At the same time, Symrise is using modern lighting solutions to provide the desired amount of light. Air quality is also being optimized, avoiding cross contamination from the different laboratories. And thanks to the building expansions, there will be a lot more space. It’s a good thing, too: “Our staff has grown by 30% over the past four years and will continue increasing over the coming years,” says Mathys Boeren.

THE MIDDLE CLASS IS GROWING

“We are making this major investment because the region represents one of our core markets,” explains Norbert Braun. About 60% of the world’s population lives here – and the middle class is growing rapidly. This class is increasingly looking for semi-processed and ready-made meals, which contain Symrise flavors, or household and personal care products that use Symrise fragrances. “In the next four to five years, about 300 million more Chinese consumers will be earning enough to afford these kinds of products.”



An inspiring atmosphere for Jeff Yao and his team: Symrise's China Creative Center for the Scent & Care division is located in a converted steel factory in Shanghai's Red Town district.

A further reason that will lead to strong growth: "The multinational corporations, many of which are among our customers, are shifting their priorities to emerging markets. And there are also many regional and local companies we are serving as well with our products. We do business with all three groups and want to maintain an equal balance between them," says Mathys Boeren. "When these companies develop new products, we have to be right there. To accomplish this, we have to know the market, understand consumers and brands and be able to directly meet the requirements of our customers." This applies equally to both divisions.

31 YEARS OF EXPERIENCE: SYMRISE IN CHINA

The great variety within the markets, customers and products in Asia is seen with a visit 3,800 kilometers to the north. Symrise's China Creative Center for the Scent & Care division is located in Shanghai. The company has been in China since 1982 and was the first international manufacturer of fragrances on the Chinese mainland. 250 individuals work in the two divisions spread across four sites.

Jeff Yao and his team work across three floors and 1,700 square meters in a converted steel factory in the Red Town district – a former commercial and industrial area. Today, the district is bustling with clubs, restaurants and extravagant shops. “It provides a very creative atmosphere, with a multicultural flair,” explains the Vice President of Scent & Care while describing the site in Shanghai. Jeff Yao is responsible for Northeast Asia and therefore the huge market containing the world’s most populous country.

Business has grown by 10% every year for the past several years, though it seems almost wrong to refer to China as a single market. “The preferences of consumers in China are very diverse, so each region needs to be served individually,” says Jeff Yao. The middle class is growing from the north to the south and the east to the west, with cultures differing from each other as do fragrance preferences. “For example, people in northern China prefer very strong, natural fragrances while those in the south tend towards subtle fragrances that stimulate the imagination.”

TWO VERY DIFFERENT SALES CHANNELS

Even the companies that Symrise serves differ widely from one another. The trend towards globalization, however, is clear in this region as well. “The international companies are acquiring many local brands and replacing them with their own,” Jeff Yao explains. “And yet traditional sales, which are organized over multiple levels all the way to the millions of tiny village shops, will continue to exist.” To keep up its strong growth, the company continues to study consumer preferences very closely. “We combine numerous integrated consumer research tools at our Global Navigator Center in Shanghai, in order to constantly identify and explore developing trends.”

The knowledge is there and our technologies are constantly being improved. “For Scent & Care, we are expanding our production of perfume oils. Additionally, environmental aspects are becoming increasingly important in China,” explains Jeff Yao. “By the end of 2014, we will have installed a system for regenerative thermal oxidation at our production site in Shanghai, which will help reduce odor accumulation. This is good for our employees, the environment and the people living nearby. And it represents another example of how the sustainability dimension of our global strategy is brought to life at the regional and country level.”

10%

IN RECENT YEARS, *business has grown in China by about 10% each year. Symrise supplies international corporations as well as local and regional customers there.*

SHARING VALUES
What's next?





What's next?

SYMRISE SUPPLIES THE INTERNATIONAL MARKETS *with sustainable products that are in demand. These products are based on the work of hundreds of researchers and developers around the world. The new research center in Holzminden pools the best ideas from the researchers working in both divisions and creates synergies – even extending to its processes and technologies. Here is a closer look at Symrise's innovative abilities.*

“The subjects of sustainability, green chemistry and naturalness call for completely new approaches. *The work we do here will impact products around the world, which is why we work in close cooperation with colleagues in Brazil, the USA or China.*”

Bright sunshine pours in from three sides, illuminating white pillars and the smooth, gray stone floor. Gerhard Krammer and Torsten Kulke stand in the center of this cavernous hall, peering at the screen of a tablet and discussing the use of a certain raw material. The Symrise Heads of Research meet regularly in the new Symrise research center in Holzminden. Since April 2013, it has been supplying 90 workstations as well as spacious communications and conference areas across four floors and 2,400 square meters.

The glass center, in which Symrise invested € 10 million, connects four pre-existing buildings. The center now hosts researchers from both divisions. About 20% of Symrise's total staff works in research and development. “The subjects of sustainability, green chemistry and naturalness call for completely new approaches for research and development. These often evolve out of a close cooperation between all of the various areas of research and development. The new research center has made this process much easier from day one,” says Flavor & Nutrition Head of Research Krammer. For him, it is also a sign that the business divisions will be collaborating more closely. “We are seeing an increasing number of joint project possibilities. Now, more than ever, we can incorporate each other's work – in scientific lectures or customer events that are held here, for example,” says Krammer. “It is also inspiring for our customers to hear us talk about how botanical extracts, for instance, are generated sustainably and can be implemented in both cosmetics and beverages.”

When talking about synergies, Torsten Kulke can't help but mention the work taking place in the mint segment: “Oral care and chewing gum are two application areas at Symrise where we have been developing successful innovations to market maturity together for a very long time,” says the Head of Research, who is

primarily involved with fragrances, aroma molecules and oral care. Another raw material that has cross-divisional importance is ginger, which is used in sweets and as a medicinal plant for skin health. “We exchange technical data, analyze and evaluate materials all while learning from our colleagues,” explains Kulke.

In his work, Gerhard Krammer focuses on functional ingredients for healthy nutrition that are natural and sustainable. “They need to taste good as well,” the researcher adds. “The flavor experience has become even more important over the past few years.” Krammer also has to constantly keep international aspects and preferences in mind. “The work we do here will impact products around the world, which is why we work in close cooperation with colleagues in Brazil, the USA or China.”

Torsten Kulke sees additional trends influencing research: “Many raw materials have become increasingly scarce over the past ten years and therefore more expensive – while the global population is growing and therefore demand is rising.” Symrise's challenge is to ensure the availability of its raw materials at a constant quality while improving its processes to make them more efficient.

One of the many ways Symrise accomplishes these goals is with open innovation networks, where Symrise cooperates with colleges, suppliers and customers in many regions. “We often meet in the new research center, which has a nice side effect,” explains Torsten Kulke: “By moving offices and conference rooms into the new building, we suddenly had new space to work with in our segment. We used this space to install new facilities such as the catalysis laboratory, which we use to examine and develop cutting-edge approaches like green chemistry for Symrise. This kind of research is becoming increasingly important for us.”

SUSTAINABLE PRODUCTION WITH GREEN CHEMISTRY – KERSTIN SCHROEDER AND BERNHARD RUßBÜLDT

Generally speaking, it's really quite simple: When two highly accessible alcohols react with each other, it results in Symrose® – a synthetic rose fragrance that offers a viable alternative to natural substances that may irritate the skin. It was patented by Symrise in 2006 and has been in production ever since. So far, the biggest challenge has been manufacturing the product in sufficient quantities at competitive costs.

“We have been seeing increasing demand and want to use Symrose® in greater volumes in detergents and household products,” says Kerstin Schroeder, who is responsible for synthesis research in the Scent & Care division. The chemist supplied the solution as well: catalysis – a green chemistry method where fixed-bed catalysts improve reaction processes. “We added a new laboratory at the end of October 2013, where we have access to this technology and are working on enhancing our methods and techniques,” says Kerstin Schroeder. The use of heterogeneous catalysis has advantages over conventional methods, as Bernhard Rußbüldt explains, using Symrose® as an example. “Until now, we have been combining these raw materials using

what's known as a Friedel-Crafts reaction. This results in a large amount of byproducts.” With fixed-bed catalysis, on the other hand, the chemist hopes to create a more environmentally friendly process – which would allow the catalyst to be used over a long period.

It will take some time, though, until the process can be adapted to the technical standards. For now, the researchers are testing various catalysts in a smaller system, explains Bernhard Rußbüldt. He starts with a few drops of catalyst – the final process will use exponentially larger amounts. Until then, he is examining a series of factors: In the catalysis process, very different parameters can be optimized, such as pressure, temperature and raw material input.

The research effort will pay off in the end, adds Kerstin Schroeder. “Eventually, we will be able to produce substantially more at lower costs and with less energy. That creates advantages for us and our customers.” Another aspect is also very important to her: “The know-how that we are developing with our innovation partners is incredibly valuable. By developing our own technologies and production competencies, we establish greater supply security and become even more independent of the market.”

“We optimize our processes in the new catalysis laboratory. This provides advantages for us and our customers.”



“We are constantly enhancing our processes and methods or developing new ones. Our internal efforts are very important for this – but so is a clear awareness for what is happening outside of Symrise.”



RESEARCH REQUIRES COMMUNICATION – JOHANNES PANTEN

Listening, collaborating, transferring: These are just three of the many terms used to describe the work of Johannes Panten. The chemist, who has been with Symrise for 22 years, has been managing the Technology Scouting & Sustainability department for the research areas Fragrances, Aroma Molecules and Oral Care for the past four years. “We are constantly enhancing our processes and methods or developing new ones. Our internal efforts are very important for this – but so is a clear awareness for what is happening outside of Symrise.”

“Open innovation” is the motto under which Panten combines his many contacts at universities and other research institutions. “The idea behind this network is to check whether we have a technology in our own portfolio or whether we could cooperate with our partners.” This can look very different from partner to partner: “In some cases, we have a specific research task that an institute takes on for us,” explains Panten. “Or, at other times, we finance basic research for a doctoral thesis and then use the findings.” This can lead to joint patents.

Johannes Panten is currently supervising more than 20 projects in which internal and external specialists are collaborating. He

also coordinates one of the three Scientific Advisory Boards. Cooperation with the Flavor & Nutrition division has also intensified over the past few years. “Sometimes our colleagues there apply methods that we don’t have a lot of experience with in fragrance manufacturing. We are using this kind of know-how more and more.”

In white biotechnology, for example, Panten recognizes great potential for his segment. “The processes are selective, which means that they generate a very pure product.” This is done by using enzymes to react with raw materials. The classic example is the production of vanillin, which was the cornerstone that started the company nearly 140 years ago. Back then, the flavor was produced using a chemical synthesis using lignin. Today, however, natural vanillin is a key product for Symrise: “In addition to sustainably sourced bourbon vanilla from Madagascar, we also use our specialty SymVanil. The natural, biotechnological manufacturing method uses by-products that are derived from rice husks.” The result of this process, which Symrise would also like to use for fragrances, is notable: It uses less energy in production and doesn’t use as many chemicals while producing fewer waste products. “Our work in this area is by no means finished,” says Panten. “We want to make this method even more efficient and sustainable for us.”

RESEARCH FOCUS: HEALTHY FOOD – SABINE WIDDER

Metabolic disorders can have a profound effect on people's lives. For instance, an enzyme defect can result in certain food ingredients not being properly digested within the body. This then leads to an accumulation of certain substrates or to a lack of metabolites. Symptoms of various kinds can result from these conditions. "These kinds of situations can be avoided with special diets," says Sabine Widder, who heads Health & Nutrition Research at Symrise. People affected by these conditions have to try to avoid consuming these incompatible ingredients whenever and wherever possible. They also often require a balanced diet in order for their body to grow and perform normally.

These dietary products contain all of the important components of a healthy diet without the respective unsuitable ingredients. "The problem is that these concoctions often taste very bitter, salty or metallic," says the food technologist. Masking one of these undesirable flavors or aftertastes is no small feat – but Sabine Widder's six-person team specializes in exactly that. "The development process can last up to half a year. We perform sensory tests on individual flavor substances regarding their effectiveness and finally combine them with one another," explains Sabine Widder. "In doing so, we work closely with the Ingredient Research Team, which provides us with new, specially developed substances. The result is a complex flavor that masks unwanted taste elements and gives the product an enjoyable flavor."

Another trend is also providing the team with plenty of work. "An increasing number of people suffer from food-related illnesses, such as obesity, type 2 diabetes and cardiovascular diseases." One of the reasons for this is that a lot of what consumers around the world like to eat contains large portions of sugar, fat or salt. Thankfully, a growing number of alternative products with healthier nutritious profiles are becoming available. "To ensure that the flavor of these healthier products meets consumers' expectations, we work on the development of complex natural flavor formulas," says Sabine Widder, who has been working at Symrise for 18 years.

Bioactive natural substances are another part of her work related to the fight against obesity: "We asked ourselves if there are flavors that make you feel full." Sabine Widder and her colleagues started a research project together with the University of Vienna. "We are making very good progress and have already gained some promising results," says the researcher. "The topic of healthy foods is very diverse and exciting. That makes my job very satisfying – even if the successes are relatively small ones."

"To ensure that the flavor of healthier products meets consumers' expectations, we work on the development of complex natural flavor formulations."





“Only a product that meets consumers’ desires exactly can be successful in the long run.”

THE RIGHT AROMA AND THE RIGHT PROCESS FOR EVERY PRODUCT – GERALD GLAUBITZ AND CHRISTOPHER SABATER

The tempting scent of white wine, cheese and onions permeates the laboratory of Gerald Glaubitz. The Symrise flavorist is developing an aroma for a French onion soup. His challenge goes well beyond getting the right combination of different aromatic compounds – temperature, pH level, air and many other factors will change an aroma when manufacturing and preparing the food. And they affect the taste experience. At Symrise, flavorists and food technologists work closely together for that reason. “Only a product that meets the consumers’ desires exactly can be successful in the long run.”

“Food is comprised of highly complex natural products,” Symrise researcher Christopher Sabater explains. “Because of this, to create a ‘winning taste’ we first analyze the data of the foods using the ‘sensory guided analysis’ method and apply what we learn from that analysis in the first flavor compositions. Every food matrix releases flavors differently, so we apply the compositions directly and analyze using the senses whether the de-

sired effect has been achieved. In that way, we get closer and closer to the taste experience that the consumers expect.”

Some products call for a specific flavor release behavior, for example long-lasting flavor in chewing gum. For other applications, the focus might be on protecting sensitive flavor components, for example when it comes to preserving freshness over the entire duration of storage. In such cases, the researchers use encapsulation technology. A number of such processes are available to Symrise. “We are currently working on making these even more effective,” Sabater explains. “That way we will be able to protect particularly short-lived notes of freshness and flavor profiles from creation to consumption. That opens up completely new opportunities for us and our customers.”

When the French onion soup smells and tastes like its culinary role model and when consumers around the world enjoy it, then Gerald Glaubitz and Christopher Sabater are proud to have found another ‘Winning Taste.’

NEW AROMATIC COMPOUNDS VIA EFFICIENT SCREENING TECHNOLOGIES – JAKOB LEY

Green tea is healthy. It is known to have dozens of positive attributes. But: The first infusion tastes bitter. What to do? Make a second brew. But when it comes to the industrial production of instant teas, the answer looks a bit different: The bitter-tasting catechins are filtered out of the product. But there is a catch here as well. You remember those positive attributes mentioned before? Without this bitter substance, most of them disappear.

One solution could then be to add sugar to try and counteract the taste. Another would be to isolate and weaken the undesired flavor. Symrise offers its customers this masking solution using flavor systems. Jakob Ley has been searching for molecules that are up to this task for over ten years. They usually come from plants that traditionally are used in manufacturing foods or flavored extracts.

The challenge for the organic chemist is therefore significant, as there are very few indicators that a molecule could have flavor-modifying properties, in contrast to the flavors used for extracts, which are easy to smell or taste. “We have to filter through the thousands of molecules to find the few effective flavor-modifiers,” says Jakob Ley in explaining his ambitious task.

The process has so far looked like this: The company takes samples from plants or their extracts, which are collected by specialized companies or cooperation partners around the world. Next, these samples, or the molecules based on them, are analytically evaluated and, after passing a toxicological exam, their sensory properties are tested.

In order to save time and money, Symrise is increasingly turning to virtual screening. “We use computer programs to preselect possible candidates from a large number of previously researched natural substances and previously defined substance models,” says Ley. The result: “With this pre-selection, we reduce the effort involved in sample collections and have only a small number of substances to test with our extensive sensory analysis.” For masking bitter flavors, for example, the virtual screening program elects two promising candidates from the many thousands to choose from. “We will continue to refine this method.”

The molecules that Jakob Ley’s Ingredient Research Team discover are mostly of natural origin – and that will stay that way when used in products later on. Symrise therefore concentrates



“For a long time, we have been reducing the use of chemical synthesis in our products – which is resulting in innovative flavor systems that are manufactured in completely natural processes.”

on isolating the flavors and aromatic substances in renewable raw materials via modern extraction and separation methods or by generating these using biotechnological processes. “Chemical synthesis is being used in progressively fewer products,” says Ley. “In this way, we create innovative flavor systems that are made from completely natural processes.”



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KNOW**

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*In Malay
(Queen)*



Intercultural **Workplace**

SYMRISE IS A GLOBAL COMPANY. *As such, intercultural diversity is not only desirable, but necessary for understanding the various local markets. One way to facilitate this diversity is by bringing together employees from different backgrounds and allowing them to share their experiences and knowledge in a team setting, while learning from the others. The Day of Cultural Diversity at Symrise in the USA is another avenue for promoting this kind of cooperation while enhancing understanding for other cultures. All six sites participated, with roughly 140 employees from more than 20 nations exchanging information with their colleagues on the customs, cuisine and traditions of their native countries or those of their ancestors. A high level of cultural diversity is also present at our Holzminden headquarters, where employees from 32 different nations work together.*

Following the



Flavor

VANILLA IS ONE OF THE MOST POPULAR FLAVORS AROUND THE WORLD.

Symrise uses the “Queen of the Spices”, as it is often called, in several thousand products. The company is highly committed to ensuring that the important raw material is completely sustainably sourced by the year 2017 – as evidenced by a trip to follow the flavor.

•
PHOTOS Marcus Pietrek TEXT Marc-Stefan Andres

“Mm, vanilla,” says the little girl with the dark blond curls, her whole face lighting up with pleasure. The vanilla ice cream that the five-year-old is enjoying is one of the many delightful products that Symrise makes available to consumers around the world with over 1,000 vanilla flavors. The variety is so large because not all vanilla is the same. Its flavor ranges from creamy and buttery to

spicy and cinnamony, all the way to smoky. Vanilla can be found in almost all cookies and cakes. It flavors and harmonizes with chocolate as well as ketchup or cola. It is the most popular flavor for ice cream worldwide. The raw material is even used by the fragrance industry: for perfumes, ambient scents or care products.



What few consumers know, however: Behind vanilla lies a highly complex supply chain, which leads all the way to the far-off jungles of Madagascar. There, in the northeastern part of the island off the coast of Africa, thousands of small-scale farmers cultivate the vanilla orchid. They foster and care for their orchids carefully, pollinating the blossoms by hand and finally harvesting the ripe, green pods. But it is a long way until that vanilla is finally – in fermented and extracted form – on its way into the little girl's ice cream.

For Symrise, the journey is worthwhile: The vanilla business is growing each year at a double-digit rate. In recent years, the company has fundamentally reorganized and continuously expanded its supply chain – directly at the source in Madagascar, where it purchases around 10% of the national vanilla harvest each year. The strategy was clear from the beginning: “We want to secure our source of high-quality vanilla for the future,” says Oliver Nembach. “And we quickly learned that this is only possible if we simultaneously increase the vanilla farmers’ living standards, improve their levels of education and also secure their futures.” Symrise now helps more than 7,000 farmers to improve their economic position and become more independent.

The larger goal of the company is ambitious: “We want to completely cover our vanilla needs in a socially and ecologically responsible manner by the year 2017,” says the Global Competence Director for vanilla. When the initiative began eight years ago, this was not an easy task by any means. The vanilla purchasers were dependent upon distributors. In 2006, Symrise was the first company in its industry to invest locally and thus began to work directly with cooperatives and even with the individual farmers themselves. “This was new territory for us, which is why we cooperated closely with development aid organizations and NGOs,” recalls the 49-year-old.

Today, Symrise is connected to many vanilla farmers as part of a long-term partnership. “We teach the farmers how to increase the quality and yield of their harvests, and show them how they can make use of other cultivation opportunities.” While the farmers used to only grow vanilla and were thus dependent upon

a single harvest, Symrise has now provided them with 87,000 cocoa seedlings and 50,000 clove seedlings. In addition, the company has started its own health insurance fund, invested in education and provides microloans for rice during the dry season. “We aren’t doing all of this simply out of charity. With our involvement, we are encouraging the economic strength and independence of the farmers. That increases quality – and trust,” says Oliver Nembach.



Cultivating and harvesting the vanilla beans are just the first steps in a long process. The production of high-quality vanilla requires a high level of both care and experience in all processing stages.

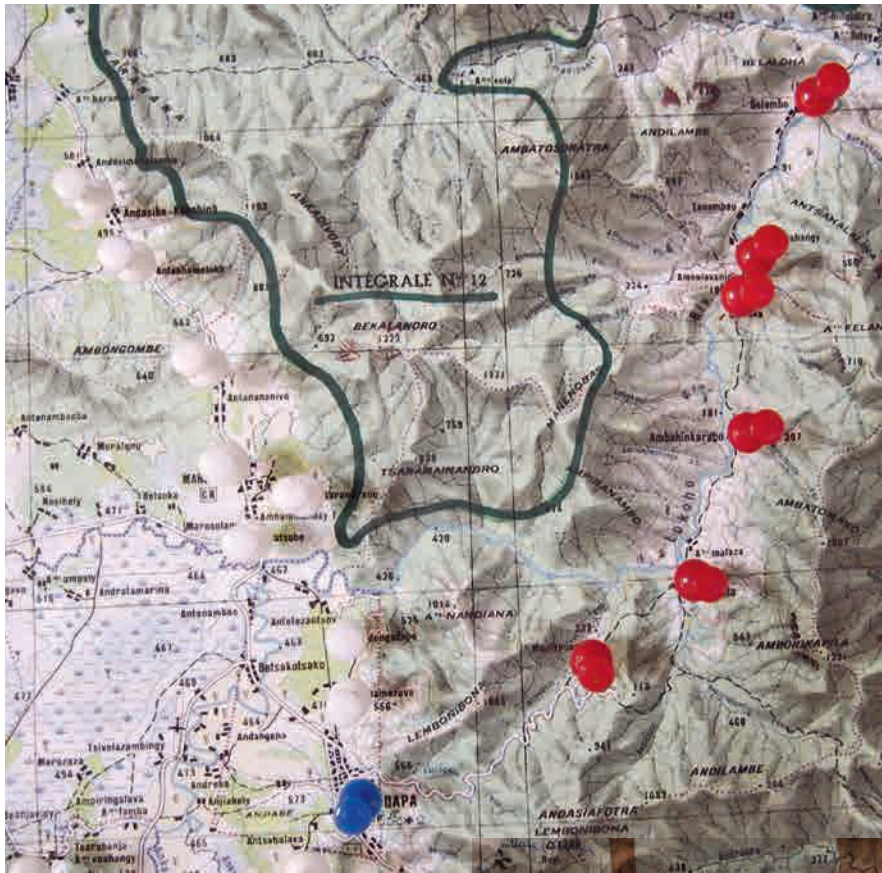
Around 80% of the global demand for vanilla comes from Madagascar, where Symrise processes its vanilla. This is unique in the industry and contributes to the local creation of value.



Passionate Pioneers

At Food Ingredients Europe 2013, the largest industry trade fair in Europe, Symrise was able to come out on top against well-known competition: The company was presented with the FIE Excellence Award in the sustainability initiative category for its involvement with vanilla in Madagascar. The jury emphasized that Symrise was working as a “passionate pioneer” for the sustainable sourcing of vanilla. Back in 2012, Symrise received the German Sustainability Award for its work with vanilla in Madagascar. Since then, the company’s initiative there has been developed significantly. Symrise is now working together directly with more than 7,000 farmers and is dedicated to the long-term improvement of their living conditions.





Symrise is now active in almost 90 villages near Sambava, Andapa, Vohemar and Antalaha. More than 30,000 people benefit from this.



Symrise cooperates as a partner with the farmers and trains them in sustainable agricultural standards.

For Symrise, this involvement makes sense because it also helps business. A core element of sustainability activities is economic success – both for the farmers and for Symrise. Only then can projects be successful over the long term and thus sustainable. “When we still worked with middlemen, we often only received minimal information about the origins of the vanilla and the conditions under which it was grown, processed and traded. Through this direct cooperation with the producers, we now know all of that in great detail,” says Nembach. “In this way, we can offer customers high quality, the greatest possible supply security and absolute traceability – in other words, truly added value.”

More than 100 Symrise employees are now located in Madagascar, ensuring that everything goes smoothly. From the daily dialogue with producers about the traditional fermentation of the pods to the extraction of the vanilla, everything is in Symrise’s hands. “We are not just interested in more sustainability – we have an overview of the local value chain in its entirety,” says Oliver Nembach. “In 2013, we opened a new fermentation and storage complex. And we have begun constructing a modern extraction plant that will be inaugurated shortly. These investments in the location are evidence of our long-term interest.”

The wishes of the customers can be better served through the broad local positioning, according to Gabriele Beier. And increasing importance is placed on sustainability – in various forms: “Some of our large partners, for example, offer organically grown or fairly

traded products. Another partner focuses on products certified by the Rainforest Alliance,” says the key account manager, who is responsible for a multinational food company. “We offer every customer the vanilla product that best suits their brands and products – whether it is certified or not.”

The pods and extracts from Madagascar are finally used in flavor production in Holzminden, and are prepared in various combinations for local, regional and global customers. In addition to the pure extracts, there are various types of flavors that are being worked on by flavorists and application technicians in Germany. Consumers’ taste preferences are included in the development process. “We carry out intensive market research and approach the specific markets and their particular wishes individually, so that our customers are always able to sell the right product,” says Gabriele Beier. The global Symrise vanilla team cooperates closely with customers. That is incredibly important, says the key account manager. “Only then can we ensure that we are using vanilla’s diversity appropriately – and thereby creating value for everyone. From Madagascar to Manhattan.”



Achieving More Together

Together with our customer Unilever and the German Society for International Cooperation (GIZ), we have launched an comprehensive initiative in order to enable better living conditions for around 4,000 vanilla farmers in the Sava region of Madagascar. The development partnership includes a three-year program that will reach 32 communities and 44 schools. The program has the potential for improving the lives of 24,000 people in one of the poorest regions of the world. To achieve this goal, the program focuses on practical training classes, known as “farmer field schools,” in order to train the farmers in proven cultivation methods. In addition, agricultural schools for training the next generation will be formed, thereby improving access to further education. The development partnership is being co-funded as part of the develoPPP.de program of the German Federal Ministry for Economic Cooperation and Development.

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Business Performance

*Once more, sales for the Symrise Group grew faster than the overall market in 2013.
The profitability of our business increased as well. We are confident in our ability
to continue this trend of success moving forward.*

GLOBAL ECONOMIC CONDITIONS

The international economic landscape showed mixed developments over the course of 2013. The upturn of the past few months has been increasingly carried by the industrialized nations. In the USA, the growth rate increased from quarter to quarter. Meanwhile, the eurozone seems to have moved beyond its low point and be on the road to recovery. In 2013, the economy in the eurozone still decreased slightly by 0.4%. By contrast, the German economy managed to grow 0.4% in 2013. In the emerging markets, particularly China and India, economic growth accelerated substantially during the second half of the year. Overall, the global economy grew a modest 3.0% in 2013.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The Symrise Group is globally active in the market for flavors and fragrances as well as in the market for aroma chemicals and cosmetic ingredients. The market relevant for Symrise has a total volume of € 17.4 billion and is achieving average long-term growth of around 2 to 3% per year.

SALES AND EARNINGS

The Symrise Group's sales rose by 6% to € 1,830 million in the 2013 fiscal year. Sales in the EAME region were up by 5%. The North American region generated a sales increase of 11% compared to the previous year. Business in the Asia/Pacific region was up about 4% while the Latin America region increased sales by 2%. Sales in emerging markets exceeded the previous year's

figures at local currency by 11%. As in the previous year, the emerging markets' share of total Group sales amounted to 48%.

The Scent & Care division generated sales of € 960 million in 2013. Sales were therefore up 9% on the previous year's level. EBITDA amounted to € 195 million – up 21% compared to the previous year. The EBITDA margin therefore amounted to 20.3% in 2013 compared to 18.2% in 2012. The Flavor & Nutrition division increased its sales by 2% to € 870 million. EBITDA for the division was slightly higher than last year, amounting to € 179 million in 2013. The EBITDA margin amounted to 20.5%, compared to 20.9% in the previous year.

EBITDA – earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets – of the Symrise Group increased by 10% from € 339 million to € 373 million. The Group's EBITDA margin, as based on sales, improved from 19.5% to 20.4%.

In 2013, the cost of sales rose by € 25 million, or 2%, to € 1,060 million (2012: € 1,034 million). The disproportionately low rise in costs in view of the growth rate of sales can be mainly attributed to a lower raw material cost ratio and lower levels of depreciation and amortization. Gross profit increased by 10% and amounted to € 771 million (2012: € 701 million). The gross margin was 42.1%, 1.7 percentage points higher than in the previous year (40.4%). Selling and marketing expenses were up by 8% compared to the

OVERVIEW OF KEY PERFORMANCE INDICATORS

in € million	2012	2013	Change in %	Change in % at local currency
Sales	1,734.9	1,830.4	6	10
EBITDA	338.9	373.1	10	13
EBITDA margin	in %	19.5	20.4	
Net income	157.5	172.3	9	
Earnings per share	in €	1.33	1.46	9
Net debt (incl. provisions for pensions and similar obligations) to EBITDA (Dec. 31) ¹⁾	ratio	2.4	2.0	

1) Prior-year figures adjusted as a result of changes to accounting policies (see note 2.2).

previous year, amounting to € 290 million (2012: € 267 million). This corresponds to 15.8% of Group sales (2012: 15.4%). R&D expenses increased by 12% to € 127 million (2012: € 114 million). The R&D rate came in slightly above the previous year's level at 6.9% (2012: 6.6%). Administration expenses increased by 5% to € 85 million (previous year: € 81 million). Administration expenses as a share of Group sales improved again slightly from 4.7% in 2012 to 4.6% in the reporting year.

The Symrise Group's net income rose by € 15 million to € 172 million in the 2013 fiscal year. With an unchanged number of shares, earnings per share improved from € 1.33 in the previous year to € 1.46 in the reporting year. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.62 to € 0.70 per share at the Annual General Meeting on May 14, 2014.

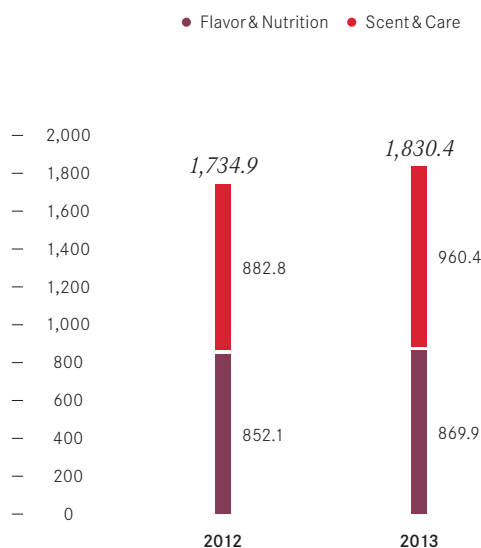
FINANCIAL POSITION

As a result of the improved result, cash flow from operating activities in 2013 amounted to € 274.8 million, € 55.3 million, or more than 25%, higher than in the previous year (€ 219.5 million). The Symrise Group's liquidity increased by € 18 million to € 135 million as of December 31, 2013. Net debt decreased to € 744.8 million as of the reporting date for 2013, mainly due to higher cash balances and lower pension provisions. The ratio of net debt to EBITDA was 2.0 as of the 2013 reporting date and thus remains within the targeted corridor of 2.0 to 2.5.

NET ASSETS

The balance sheet total amounted to € 2,210 million as of December 31, 2013, an increase of € 60 million compared to the reporting date in the previous year. This was mainly due to a growth-related rise in inventories and higher trade receivables. The Symrise Group's liquidity increased over the course of the year, by € 18 million to € 135 million. Symrise AG's equity climbed by 8% to € 951 million as of December 31, 2013. As of the 2013 reporting date, the equity ratio amounted to 43%, after 41% on December 31, 2012.

SALES DEVELOPMENT OF THE SYMRISE GROUP (€ million)



OUTLOOK

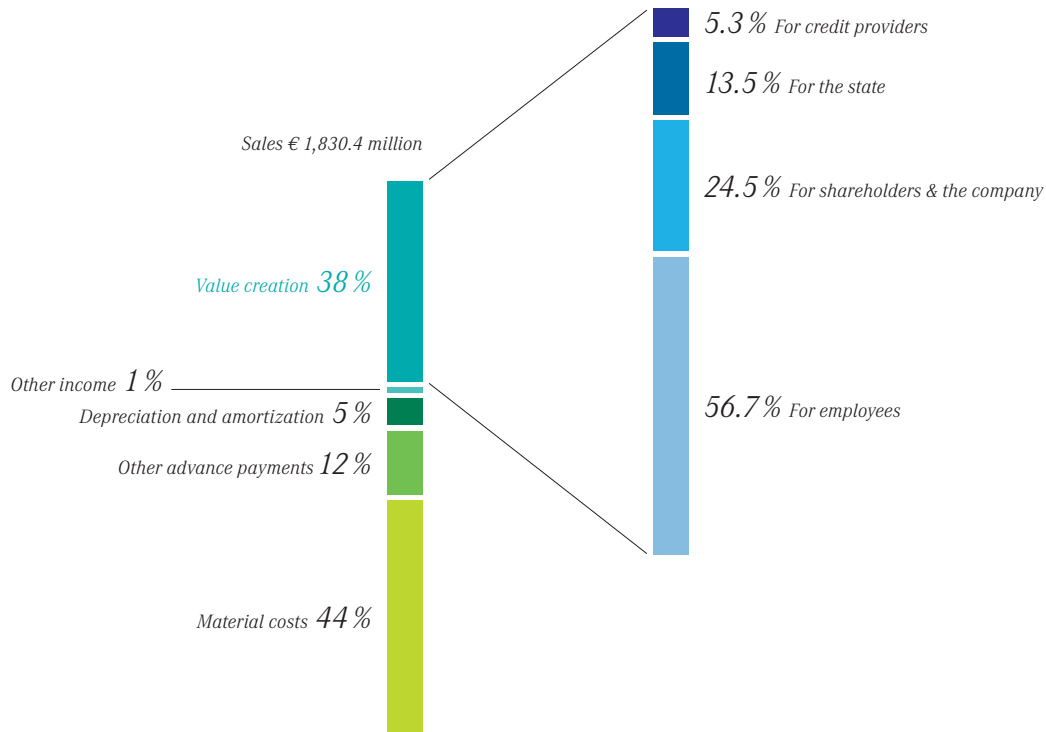
Estimates for the AFF market project 2 to 3% growth worldwide for the year under way. Both divisions, Scent & Care and Flavor & Nutrition, continue to target sales growth at local currency notably above the market rate. Assuming that raw materials prices remain at the level of 2013 and exchange rates do not change significantly from 2013, we once again anticipate an EBITDA margin of about 20% for 2014 in both business divisions.

Thanks to our global positioning, innovative strength, good relationships with key customers and our unique product portfolio, we are confident that we will exceed the market's annual rate of growth of 2 to 3% in both 2014 and 2015. The Symrise Group will do everything it can to maintain and continue its sustainable and profitable growth course.

SALES BY REGION

in € million	2012	2013	Change in %	Change in % at local currency
EAME	785.4	828.3	5	7
North America	316.8	350.3	11	14
Asia /Pacific	404.5	419.6	4	10
Latin America	228.2	232.2	2	12
Total	1,734.9	1,830.4	6	10

VALUE CREATION AT SYMRISE
2013



Management

Responsible management is a prerequisite for sustainable value creation and Symrise's continued success. It allows us to gain the trust of our customers, employees and investors – both for the present and the future.

RESPONSIBLE MANAGEMENT

Symrise wants to increase its value and the sustainability of its business activities over the long term. That is why the management and supervisory committees at Symrise AG align their activities with various principles of responsible management. The aims of the German Corporate Governance Code serve as the standard for good management in both the Executive and Supervisory Boards. The ten principles of the UN Global Compact, which we signed in 2012, provide additional guidance for our entrepreneurial actions.

Symrise derives its strategy from its corporate goals and implements them at the various departmental levels while observing the principles of responsible management. A management manual gives employees insight into management's standardized processes for achieving goals. These defined core processes and supporting processes are regularly reviewed for their effectiveness and adjusted to current developments as necessary.

A compulsory guiding principle for all employees is our Code of Conduct. Developed in 2006, we update it regularly – most recently with fundamental changes in 2011. The Code references ethical and legal challenges that can arise in the workplace, as part of business relationships or when handling information. It regulates behavior with key Symrise partners and ensures transparent and reliable processes. In the interest of all employees and the company, we react swiftly to violations against the Code and rectify their causes. Misconduct is consistently prosecuted in accordance with national laws. More on corporate governance at Symrise: ➔ 4

SUSTAINABILITY IN BUSINESS

In 2009, we founded the Symrise Sustainability Board – a global, cross-divisional body that facilitates 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.

The Sustainability Board sets sustainability goals, which are then directly implemented in the respective segments. For this reason, the Executive Board and Sustainability Board appointed global ambassadors to be responsible for the coordination of sustainability efforts in the Flavor & Nutrition and Scent & Care divisions in 2011. Together with representatives from the Corporate Compliance and Corporate Communications departments, they represent the Sustainability Core Team, which manages sustainability strategy across the Group. The direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG, who receives quarterly reports on the progress of all sustainability activities. Furthermore, the company's sustainability targets flow into individual performance targets and thereby into executive remuneration.

Additionally, a global network of voluntary sustainability ambassadors actively raises awareness for our sustainability strategy: So-called “care teams” contribute to a deeper integration of sustainability into our business model by implementing targeted initiatives locally at all of the company's regional headquarters as well as numerous international sites.

INTEGRATED MANAGEMENT SYSTEM

Our integrated management system is based on the international standards on quality (ISO 9001), environmental protection (ISO 14001), work 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 a continuous improvement in performance.

With our risk management system, we want to not only avoid potential risks for the environment, society and our company, but also recognize opportunities arising from global developments at an early stage. To accomplish this, we comprehensively incorporate sustainability topics: from environmental and industrial risks to procurement risks, product risks and operational risks. ➔ 5

Determining risk is also the task of Corporate Compliance. Symrise views compliance as a holistic organizational model. It includes the observance of legal regulations and internal company guidelines as well as their corresponding processes and systems. The Corporate Compliance department consists of all the functional units from Integrated Management System (IMS) and Corporate Audit as well as Risk and Sustainability Management. ➔ 6

To keep our employees informed about existing compliance requirements and adhere to them, we provide classroom lessons as well as a growing number of internet-based training sessions. The tests that follow the training sessions show whether the content has been understood by the participants. New Symrise employees are also comprehensively informed about their position-related requirements and our Code of Conduct. In 2013, our employees received a total of around 30,000 hours of training on work safety, health, environment, hygiene and compliance. For 2014, we are planning to intensify training with those employee groups that, due to their responsibilities, are more exposed to the risk of misconduct as well as with employee groups that can act as multipliers for the training content within the company in addition to our ongoing training. ➔ 7

We installed an Integrity Hotline already in 2006 which allows violations of ethical and legal standards to be reported. With this hotline, employees are able to contact Corporate Compliance using toll-free telephone numbers that have been specially set up in individual countries. An intermediary service provider ensures that employees retain their anonymity and can report their concerns in their native language. ➔ 8

AUDITS

Corporate Audit and the IMS audit regularly assess whether management requirements and national legal regulations are observed. According to our auditing strategy, we audit every company at least once every four years and essential business processes on an annual basis – which corresponds to 25% of the audit spectrum. Further criteria, such as acquisitions, organizational changes, material importance to the Group or results from risk reporting also influence the audit strategy. Internal IMS audits are carried out in accordance with ISO standard 19011. The Executive Board and the Supervisory Board's Auditing Committee are informed at regular intervals about the results and measures implemented. External audits conducted by customers, authorities and independent certification organizations also provide confirmation to Symrise of the ongoing improvement being made to its management systems.

If any inconsistencies are uncovered during audits or quality inspections, the division concerned introduces corrective measures and documents these accordingly. Additionally, possible effects on other processes are analyzed in order to be able to react directly with preventative measures. The same applies to complaints. In 2013, there were no material complaints that would have led to fines, nor were any fines imposed due to breaches of statutory regulations governing the provision and use of our products.

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. We do this as members of associations like the IFRA (International Fragrance Association) or the IOFI (International Organization of the Flavor Industry). Symrise also joined the Responsible Care Initiative in 1997 and adopted its guidelines for continual improvement in the areas of safety, health and environmental preservation.

Symrise assesses the performance of its suppliers' and contractual partners' management systems as part of its supplier audits. With the help of the official and globally recognized platform SEDEX (Supplier Ethical Data Exchange), we assess the performance of our key suppliers on factors such as environment, health and safety, integrity and other ethical audit points. Symrise's long-term goal is to assess all of its suppliers using this system. We also perform global audits to safeguard our supply chain (FSSC 22000). ➔ 9 They concentrate on core topics such as food safety and protection against sabotage, terrorism and unauthorized access to our raw materials and products.



CLEAR COMMITMENT TO SUSTAINABILITY

In 2012, Symrise signed the United Nation's Global Compact and committed itself to upholding its ten principles of entrepreneurial responsibility.

DIALOGUE WITH OUR STAKEHOLDERS

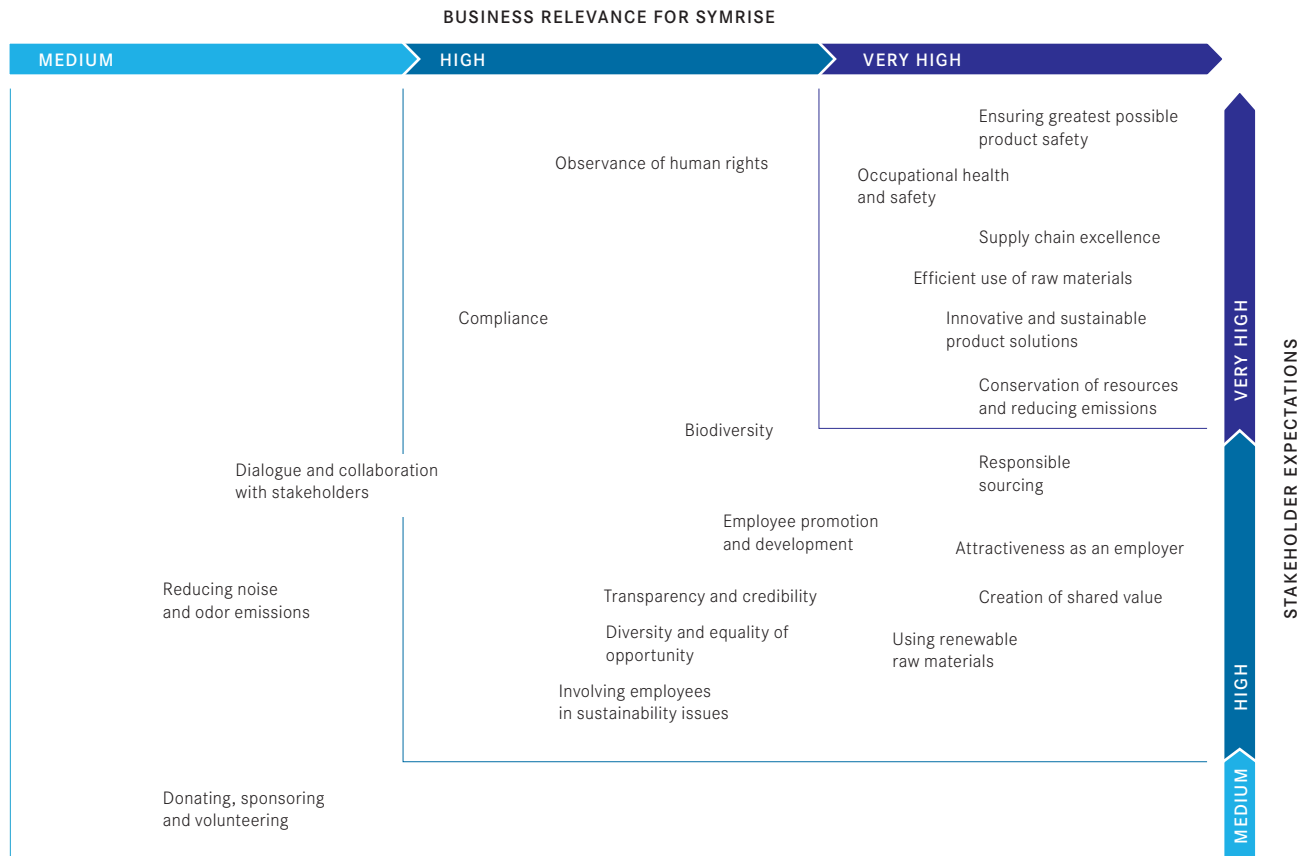
Symrise is in active dialogue with its stakeholders across the globe. After all, we can only develop the best possible solutions if we know and understand the needs and interests of our most important stakeholder groups. These include customers, employees, shareholders, lenders, neighbors, politicians,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

A number of internal and external formats and channels enable Symrise to maintain a lively dialogue with its stakeholders. In 2012, we once again carried out a global employee engagement survey, where over 80% of our employees assessed our company's strengths and weaknesses. In 2013, we initiated measures based on the results of the survey. With the help of the SEDEX platform, we also maintain close contact with numerous raw material suppliers on ethical topics. We keep our customers and investors up-to-date on developments within our company with road shows and innovation days. The expectations of our stakeholders shared with us via these interactions inspire us and represent the basis for our work.

A materiality analysis helps us assess various topics according to their strategic relevance for Symrise and its stakeholder groups. In multiple workshops in the past, we have intensively worked out how our behavior affects various stakeholders and what influence these groups have on Symrise. All business divisions were incorporated into these analyses. The result was a materiality matrix that we validated and refined with the help of an international survey of our stakeholders. To perform the survey, we invited the most important stakeholder groups and asked them about their stance on sustainability topics as well as on our performance in specific areas and along our entire value chain.

Numerous initiatives worldwide demonstrate the ways in which we breathe the life into our commitment to sustainable corporate governance every day. Read about our progress at www.symrise.com/sustainability.

Symrise Materiality Matrix



In the 2013 reporting year, we began further systematizing our stakeholder management. This included the formulation of various goals for our cooperation with various stakeholder groups. As a result, we can maintain a more targeted dialogue with our stakeholder groups and generate more joint benefits from the various formats. We are also currently developing new possibilities for updating our materiality analysis within this framework. In the future, we want to place a greater focus on the analysis of the most essential sustainability effects for Symrise and confirm the results of these analyses together with our most important stakeholder groups.



Sourcing

The sourcing of raw materials is a central component of Symrise's sustainable value creation. The various expectations of our stakeholders and a variety of practical challenges require a holistic approach for realizing our sustainable procurement principles.

We use approximately 10,000 natural and synthetic raw materials from over 100 countries to manufacture our products. They are the basis for manufacturing our approximately 30,000 different products in the areas of fragrances, flavorings, cosmetic active ingredients and raw materials, as well as functional ingredients. Our products consist mainly of value-adding preliminary products, meaning aromatic compounds and active components, in addition to carriers such as ethanol. We place a special focus on these ingredients in our sourcing strategy.

Long-term growth is only possible if we continue to be in the position to ensure both raw material availability and quality, while remaining competitive when it comes to pricing. Social and environmental circumstances have a significant influence on these aspects. That's why implementing the highest standards in our procurement processes is not only a question of responsibility, but also of long-term profitability.

We are constantly adapting the organizational structure of our purchasing department to the changing conditions on the market.

Procurement at Symrise is organized decentrally in the two business divisions of Scent & Care and Flavor & Nutrition so that we can manage purchasing processes in a more targeted manner and continually optimize the supply chain. The scorecard system successfully established in 2012 was further adapted to the specific needs of the purchasing department in 2013. It supports buyers with relevant key figures.

With our responsible sourcing model, we rely on close and continuous cooperation with our suppliers, on social and ecological commitment locally, and on strategic partnerships with our key customers.

GROWTH

- We secure our raw material supplies on a long-term basis
- We make a contribution to the conservation of biodiversity
- We help growers to diversify
- We improve growers' living standards
- We increase local added value

EFFICIENCY

- We reduce emissions from transportation
- We invest in renewable sources of energy
- We boost productivity by means of training courses
- We invest in local infrastructure

PORTFOLIO

- We offer our customers responsible products
- We achieve high quality and yields
- We create transparency, for example by means of certification

In 2013, we purchased 208,000 tons of raw materials and processed them into products. Our relatively small process losses arise mainly from the extraction and distillation processes, which we reduce via recycling wherever sensible. For example, we purify solvents used in production processes in order to reuse them multiple times.

LOCAL VALUE CREATION

The emerging markets currently account for approximately 48 % of our business. We want to continue to expand our market share in this segment in the future. Our positioning in the most important country markets offers us not only a solid basis for business with regional and local customers, but also provides us with access to important raw materials. In 2013, we continued to follow this approach and expanded our operations in Madagascar, among other things.

To increase supply security regarding key raw materials, Symrise has for years successfully pursued a backward integration approach. With regard to important core competences, we have deliberately chosen locations for our international production facilities that have local availability of the raw materials primarily used. Our citrus initiative in Brazil and our vanilla initiative in Madagascar are just as much cases in point as the vegetables sourced from the immediate vicinity of the German site in Holzminden and also processed there. We not only purchase our raw materials in the local economy but are also integrated into "it", produce in "it" and create value there.



This integrative approach provides us with numerous advantages such as a high yield, secure supply, top quality and the highest possible traceability. At the same time, we are supporting local socioeconomic structures and making a contribution toward local added value. In doing so, we not only save on costs and transport distances, but also reduce climate-impacting emissions. In 2013, we spent 59.3% of our procurement budget on suppliers based in domestic and bordering regions of our main corporate locations. For the backward integration of our supply chain, we established corporate guidelines on due diligence and defined corresponding processes that also consider environmental and social risks.

SUPPLIER MANAGEMENT

Independent of the source, we place a high value on the sustainable, efficient handling of raw materials – internally and by our suppliers. With the help of a systematic management approach, we ensure that suppliers meet our standards: As part of this, new suppliers must provide information on quality, product safety and environmental aspects as well as on their sustainability programs, social responsibility guidelines within their supply chains and compliance with ethical standards. A truthful answer to this supplier acceptance questionnaire is the non-negotiable basis for Symrise entering into a business relationship. We require the safeguarding of general human rights, an undertaking not to make use of child labor or forced labor of any form, and compliance with statutory health and safety at work requirements. Furthermore, we expect our suppliers to allow their employees the right to freedom of assembly and collective bargaining, to observe at least the statutory provisions on working times and pay, and to make a clear commitment against discrimination and abuse. These standards constitute part of our Group-wide risk management system. As part of this, we carry out systematic risk and performance assessments of all suppliers on the basis of economic, ecological and social aspects. ➔ 10

We carry out audits for suppliers posing an especially notable risk stemming from the crucial raw materials they supply or regarding problems that have come to light in the assessment. The focal points of these audits are product safety, quality management, health and safety at work, the environment 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. Cases in which a supplier relationship was terminated due to a breach of relevant criteria did not occur in 2013.

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 publish 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 SEDEX registered. Since 2012, we have also invited 250 of our most important suppliers to register with SEDEX and to disclose their data to us. Overall, 204 Symrise suppliers are now registered with SEDEX. Therefore we can assess about 50% of our purchasing volume in terms of compliance with sustainability criteria in the supply chain.

STANDARDS AND CERTIFICATES

National and international legal requirements on the protection of natural resources comprise a core component of Symrise's purchasing policy. For example, the use of animal and plant-based raw materials listed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is only permitted throughout the Group if the supplier is able to prove their sustainability.

With an increasing number of natural raw materials, we are purchasing materials with certified origins. For example, palm oils and palm oil derivatives, which we use around the world, are mainly procured from sources that are certified by the Round Table on Sustainable Palm Oil (RSPO). Roughly 1,500 raw materials are available at Symrise for use in organic and fair trade products. This corresponds to about 15% of our raw material portfolio in the EAME region. Our customers have primarily requested certified products in regards to iconic ingredients like vanilla or lavender. In 2013, Symrise became the first fragrance company to purchase CENSO-certified lavandin oil.

Another pilot project is our sustainable vanilla approach in Madagascar, where we helped a total of 2,457 vanilla farmers to become Rainforest Alliance certified in 2013. Our sustainable vanilla sourcing also impressed the jury in two preliminary rounds for the Supply Chain Management Award, where we were among the four finalists in 2013. Our vanilla initiative was also awarded the FIE Excellence Award in the sustainability initiative category in 2013.

Country-specific conditions can also impact our product portfolio: Particularly in the Middle East and North Africa, the demand for products that are certified kosher or halal is especially significant.



In 2013, Symrise became a member of the Sustainable Spices Initiative (SSI). The sustainable cultivation and purchasing of spices is a central focus for both Symrise and the SSI. Together with customers, suppliers and NGOs, we want to actively cooperate with the SSI, sharing our knowledge while gaining new experience.

These certifications are also becoming increasingly important in major parts of Asia as well as in the USA. Globally, 49 % of our raw materials are certified as halal and 51 % as kosher.

The proportion of raw materials of animal origin that we use is very low at approximately 2%. Nonetheless, we place a high value on the responsible handling of animals and require our suppliers to comply with legal requirements and industry standards on animal rights. ➔ 11

We use very few genetically modified raw materials; they amount to around 2 % of our raw materials portfolio worldwide. ➔ 12

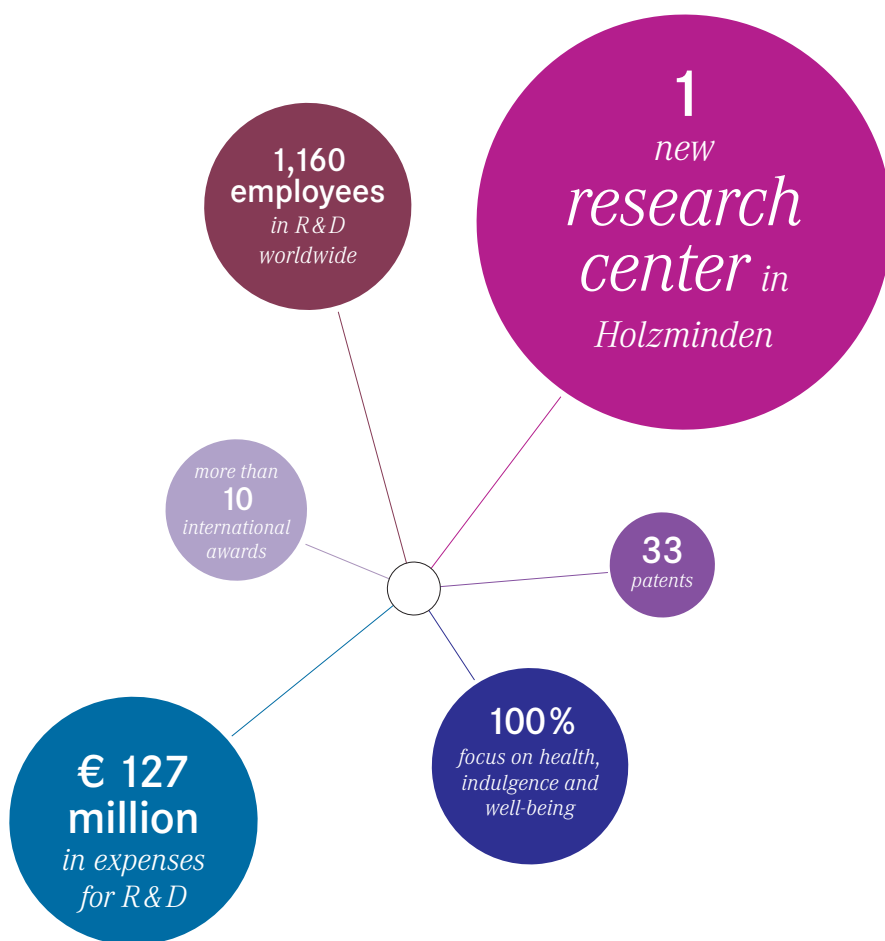
SYNTHETIC VERSUS NATURAL RAW MATERIALS

End consumers increasingly desire products with natural raw materials. Natural raw materials already account for more than half of our portfolio and their share is constantly increasing. A complete conversion to natural raw materials, however, would

result in complex social and environmental effects in many cases: A greater use of natural raw materials often leads to increased competition for land used for food production and can endanger the preservation of biodiversity due to the development of monocultures. Synthetic raw materials also often take less energy to manufacture than the energy required to harvest and transport natural ones.

It therefore cannot be our objective to completely switch to naturally occurring raw materials. Our focus is more on achieving a further reduction in our dependence on finite raw materials. We have therefore made the identification of alternative means of generating raw materials a focal point of our research. Irrespective of the source of the raw material, we attach importance to using resources sustainably and try to maximize our yields. We encourage our suppliers to follow this strategy as well.

Numerous initiatives worldwide demonstrate the ways in which we breathe life into our commitment to sustainable corporate governance every day. Read about our progress at www.symrise.com/sustainability.



Innovations

Symrise offers a wide range of products with its two divisions, Scent & Care and Flavor & Nutrition. Our customers particularly appreciate the innovative products and sustainable solutions that we regularly provide.

Symrise serves manufacturers of perfumes, cosmetics, and foods in addition to the pharmaceutical industry and producers of nutritional supplements on a global scale. We are successfully active in both established markets as well as in emerging countries in Asia, Latin America or the Middle East. By actively

designing our products with global trends in mind, we meet various customer preferences arising from social and cultural differences. Symrise's product portfolio ranges from fragrance and flavor solutions to cosmetic active ingredients and raw materials as well as functional ingredients.

Our product development is equal parts centralized and decentralized: The individual divisions manage and guide their own respective research and development (R & D) activities. At the same time, the individual business units share information to take advantage of synergy effects. Release systems and bio-active ingredients as well as analytical and sensory research, for example, are subjects with cross-divisional importance that we approach together and implement accordingly.

A company-wide uniform stage gate process with decision filters guides the innovation process at Symrise from idea to market-ready product. This allows us to react to changing customer needs and market conditions at an early stage. Growth plans that have been coordinated with our customers also allow us to bring our innovations to the market more quickly. Numerous projects with international key customers in 2013 underscore our belief that sustainability and profitable growth go hand in hand and provide all parties with long-term benefits.

We also aim to combine creativity and efficiency with resource conservation and environmental preservation. The open innovation approach is our guiding principle in this matter: We incorporate our regional and international customers in numerous developmental projects and collaborate with them. Symrise has received many customer awards in the area of innovation as a result of these successful collaborations.

When it comes to consumer wishes, our market research shows a clear trend towards products that not only appeal to the senses, but also provide positive benefits for overall health and well-being. We have integrated this desire into our business strategy and aim to continually increase sales with products that contribute to health, nutrition, skin care and skin protection. In 2013, Symrise AG received a loan of € 125 million for the research of functional ingredients for skin care and healthy nutrition from the European Investment Bank.

NETWORKED RESEARCH

Beyond our internal research and development departments, the Scent & Care and Flavor & Nutrition divisions both maintain comprehensive partnerships with other companies, renowned universities and research institutions in Bochum, Braunschweig, Dresden, Düsseldorf, Giessen, Greifswald, Halle (Saale), Hannover, Munich, Münster, Potsdam and Rostock. Across the globe, we worked with institutions such as Queen Mary University in London, University of Tours in France and the Monell Chemical Senses Center in Philadelphia (USA) in 2013, as well as companies like Cotech (Italy), EcoBiotics (Australia), Essen BioScience (UK)

and Therapeutic Peptides (USA) among others. For years, both divisions have received assistance from international scientific advisory boards consisting of internationally renowned researchers specializing in various fields. These committees accompany and provide advice on the implementation of the latest research findings in new product innovations.

Our research and development activities are highly regarded within the scientific community. In 2013, Symrise submitted 33 patents and was therefore at the top of the industry – as evidenced by our high level of innovative strength. ➔ 13

BEAUTY, SCENTS AND CARE

The Scent & Care division with its four business units – Life Essentials, Fragrances, Aroma Molecules and Oral Care – offers its customers competencies in fragrances, beauty and care. The main goal for this division is the development of safe, efficient and sustainable products and processes.

- **Life Essentials** develops new active ingredients that follow the trends in beauty and health with its technical expertise in the areas of phytochemistry, efficacy screening and analytical chemistry. In 2013, three sustainable products were launched based on microalgae research: SymBronze® 1659 (biological skin tanner), SymHair™ Force 1631 and SymLash™ 1631 (volumizer for hair and lashes). The awards these products received, including the “Best Ingredient Silver Award” from the “in-cosmetics Innovation Zone 2013” and the “BSB Innovation Award,” highlight the high level of innovation within Life Essentials’ research department. In the field of multifunctional substances, the intensive research initiatives of the past few years resulted in the launch of SymSave™ H, a true multi-talent with very good anti-irritant, antioxidant and anti-microbial effectiveness as well as outstanding emulsion-stabilizing properties. Directly after reaching the market in 2013, SymSave™ H took first place at the SEPAWA Innovation Awards.

- In the **Fragrances** business unit, we combine aromatic raw materials, like essential oils and aroma chemicals, to create complex perfume oils. In 2012, we began to hold special training sessions for our perfumers to increase the usage of renewable raw materials in fragrance compositions. Outstanding product innovations in 2013 included Sultanene® – a highly efficient captive that can be used in doses 100-times smaller than conventional fruit esters. Or SymCap® K LD, which conserves fragrances in microcapsules, allowing for their release over time through the application of light pressure on a fabric. For the first time, this type of technology is available for liquid detergent.

- **Aroma Molecules** develops a broad spectrum of aromatic compounds and flavors in various classes. An important application area involves biodegradable, synthetic musk fragrances. These adhere to hair, skin and textile fibers substantially better and are a crucial component of perfume oils. We have also been committed to the protection of the musk deer, which our industry used to hunt for its valuable glandular secretions, since 2011.
- The **Oral Care** business unit was expanded in 2013 as a core competence of Scent & Care. We also established Think Mint® as a cross-divisional brand for mint flavors with the Flavor & Nutrition division. In doing so, we pool our many years of expertise for all of the major mint product groups and research together on new substances and technologies that offer economic and ecological benefits. One example here is our cooling substances. Furthermore, we are attempting to offer our customers added value with the development of new key technologies, such as probiotics. To achieve this, we signed a research and development cooperation contract with the Swedish biotechnology company Probi AB in 2013.

Moreover, we also further expanded our research focus on green chemistry in Scent & Care and began operations in a catalysis laboratory in 2013. Here, Symrise researches catalytic methods for new molecules, develops chemical processes and optimizes existing methods for aromatic substances and flavors as well as for Life Essential products. This increases raw material efficiency, which in turn has a positive impact on our environmental footprint.

DELIGHTFUL AND HEALTHY NUTRITION

Modern consumers expect foods that taste great while promoting a healthy lifestyle. Our Flavor & Nutrition division therefore focuses not only on flavor, quality and safety, but also increasingly on the development of taste solutions for healthier products as well as functional ingredients that promote good health.

➔ 14 At the same time, Symrise is serving the growing market for food supplements and pharmaceutical preparations. Natural raw materials combined with scientific methods form the basis for the development of our products. Independent of whether they offer particular health benefits, all of our products must provide excellent flavor. To achieve this, Symrise develops innovative methods that retain authentic flavors while simultaneously al-

lowing for the reduction of sugar, salt, fat or flavor enhancers. Additionally, our researchers develop new systems for masking bitter flavors in high-protein foods with special health requirements. These have already been successfully implemented in Europe and North America.

STANDARDS AND CERTIFICATES

Good manufacturing practice is 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. 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.

➔ 15

€ 125 million

Symrise AG has obtained a long-term loan of € 125 million from the European Investment Bank to fund its intensive research and development activities. The company's work here focuses on carrying out research into functional ingredients used in the areas of skin care and healthy nutrition.

Hundreds of researchers and developers around the globe work on innovative and sustainable products at Symrise. The new research center in Holzminden brings the best ideas together and creates synergies.



We aim to ensure the safety of our products throughout their entire life cycle. To do this, we integrate all of the relevant steps, from supplier orders to customer delivery, into our product safety policy. Symrise ensures compliance with legislation, requirements laid down by associations and internal standards and continuously monitors this compliance.

The Global Product Compliance Competence Center is responsible for product safety: It implements regulatory requirements, undertakes the toxicological evaluation of raw materials and products and prepares the data for customers and employees around the world. This Competence Center also documents customer restrictions while taking the regulatory environment into consideration (the ruling out of certain substances) and is in charge of monitoring, testing and registering new substances. It commissions product tests from approved laboratories and evaluates test reports. All administrative processes, legislative issues, safety reports, classification into hazard classes and the labeling of raw materials and products are handled centrally and coordinated globally by the Competence Center. Regulatory Affairs and Competence Center employees represent Symrise in the leading international associations of the flavor and fragrance industry.

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. There were no significant breaches of safety or health regulations in relation to our products at Symrise in 2013.

At the end of 2013, the consumer organization Stiftung Warentest rated a product of the Ritter Sport brand as “poor,” claiming that chemically produced piperonal had been used contrary to the product labeling. Contrary to these claims, Symrise had delivered entirely natural aroma to Alfred Ritter GmbH & Co. KG for the product in question and Ritter had declared to ingredients from Symrise correctly on the label. Ritter has obtained a preliminary injunction against Stiftung Warentest. The Munich District Court I dismissed the appeal from Stiftung Warentest.

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PRODUCTION VOLUMES

in 1,000 tons



CARBON DIOXIDE EMISSIONS:

SCOPE 1 AND SCOPE 2

in kg per ton of product*



* In 2013, we redefined the calculation method for our emission values: We no longer calculate our emissions per ton of product sold, but rather per ton of product. This allows us to account for the increasing complexity of production and establish greater comparability with the emission values of our competitors and customers. The values from the previous years have been adjusted accordingly.

Environment

For Symrise, investing in resource-efficient technologies and processes is one of the most important measures for sustainably increasing the company's value. We have set ambitious goals to continually optimize our environmental footprint: By 2020, we want to reduce our energy and water consumption, our CO₂ emissions and our wastewater as well as waste volumes per ton of product by 33 %.

A comprehensive analysis of our own processes and their impact on the environment is the most important prerequisite for successful environmental management. From raw materials sourcing and processing to product development, production and logis-

tics: We examine every link along our value chain and every stage in the product life cycle to identify areas needing work and those with potential for reducing our energy, water and resource consumption as well as our emissions.

ENVIRONMENTAL MANAGEMENT

Our environmental management is based on the ISO 14001 standard around the world. About 76% of our sales volume is produced at sites with ISO 14001 certification. The Corporate Compliance unit coordinates our global environmental management. Together with the business divisions involved, it develops guidelines and procedural instructions from the global principles defined by the Executive Board and assesses compliance with legal requirements and obligations. With regular internal and external audits, we want to further improve our environmental performance. Symrise did not incur any penalties for environmental offenses during the reporting period.

The Executive Board and the Symrise Sustainability Board define environmental goals that apply for the entire Group. In order to reliably meet these goals, we are focusing on a series of measures:

- **LOCAL RESPONSIBILITIES**

Our global sites independently determine the best environmental measures for their situation. Locally, the heads of our sites and production facilities are responsible for ensuring that these goals are met. We also appointed sustainability ambassadors in 2012, who help raise awareness for and assist the implementation of our goals at the various sites.

- **ENVIRONMENTAL ASPECT ANALYSES**

In environmental aspect analyses, we systematically analyze the greatest environmental impacts that our systems and processes cause and determine corresponding mitigation measures based on this data. Environmental aspect analyses are undertaken regularly at all ISO 14001 certified locations. A holistic software solution for tracking environmental data introduced in 2012 allows us to precisely analyze our consumption and emissions. A total of 18 environmental advisors are also testing the environmental efficiency of our sites.

- **TESIUM**

TESIUM is our service company in the areas of technology, safety and the environment. The wholly-owned subsidiary of Symrise plans investments and reliably implements them. In doing so, TESIUM considers environmental, safety and energy aspects across the entire life cycle of the systems. TESIUM also offers this bundled expertise to other companies as well.

- **TOTAL PRODUCTIVE MAINTENANCE**

The focus of Total Productive Maintenance (TPM) is on the efficiency of our systems. With the use of this tool, we develop loss trees, which allow us to identify efficiency losses in a targeted manner. This knowledge then enables us to better grasp the situation and optimize the processes involved. The Symrise employees involved in this process work in 56 cross-hierarchical teams with over 46 TPM coordinators to develop solutions and put them into practice. Since 2007, we have implemented well over 5,000 improvements and could meet our goal of increasing efficiency each year.

- **BALANCED SCORECARDS**

Since 2005, we have been using Balanced Scorecards at all of our global production sites. With the scorecards, we aim to optimize the key areas of quality, service, costs, safety and employee motivation. Each of these segments receives globally unified key figures and goals that we assess every month and refine each year.

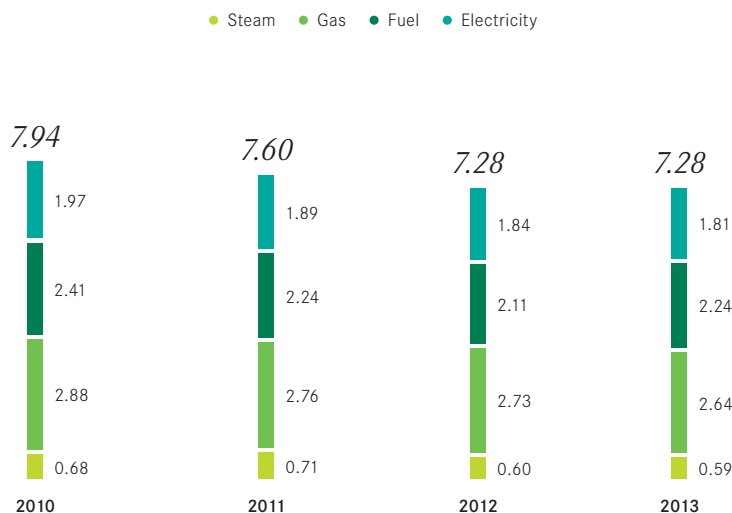
- **SYNCHRONIZE™**

Synchronize™ is a new type of integrated supply chain management. With this Symrise initiative, we optimize our entire value chain, from raw materials sourcing to when customers receive the end product, in close cooperation with our customers and suppliers. It focuses on need-oriented supply, increasing productivity via optimized resource usage and synchronizing processes.

66%

We work continuously to improve the collection of data regarding our Scope 3 emissions. In this way, we are already able to record the emissions for nearly 66% of our raw materials portfolio.

TOTAL ENERGY CONSUMPTION *in gigajoules per ton of product*



EMISSIONS

We have been systematically recording our greenhouse gas emissions and reporting these according to Scope 1 (direct emissions) and Scope 2 (indirect emissions) of the GHG Protocol since 2006. ➔ 16 We have also set reduction goals based on these: By 2020, we aim to reduce our CO₂ emissions per ton of product by a third compared to our values from 2010. So far, we have managed to reduce our CO₂ emissions per ton of product by 9.3% compared to the base year of 2010.

While the past few years saw us make some good progress towards our long-term environmental goals, the trend did not continue as successfully in 2013. Though we did indeed remain within our tolerance zone for our long-term goals thanks to the positive momentum from previous years, we only managed to reduce our CO₂ emissions slightly this year due to increased customer demand for more energy-intensive products. This is also reflected in our energy consumption (see page 87).

In 2014, we will therefore focus increasingly on decoupling our dynamic growth in the corresponding application areas from their possible environmental impacts. We will further optimize the energy balance in key areas via additional measures and

place a stronger focus on reducing emissions as part of Total Productive Maintenance. To further improve the environmental efficiency of our chemical production, we will also work on enhancing the management of byproducts from our existing processes.

Since 2011, we also record our indirect emissions according to Scope 3 of the GHG Protocol. In 2013, these CO₂ emissions amounted to 836,171 tons. We are constantly working to improve the ascertainment of Scope 3 emissions – for instance through the creation of a product carbon footprint. In this way, we are already able to record the Scope 3 emissions for nearly two-thirds of our raw materials portfolio.

Beyond this, we have also been submitting our greenhouse gas emissions to the Carbon Disclosure Project (CDP) since 2006. After always improving our rating in past years, our score on the transparency index dropped slightly to 81 points this year. Our CO₂ performance remained ranked at B (on a scale of A to E). Even though we still managed to post good results, the outcome serves as additional incentive for us to further reduce CO₂ emissions. ➔ 17

ENERGY

Nearly every one of our production processes requires the use of energy. It stands to reason then that the efficient use of energy is of great strategic importance to us. By 2020, we want to operate our production facilities and processes efficiently and reduce our energy consumption by a third per ton of product compared to our usage in 2010. Similar to our CO₂ emissions, we only managed to reduce our energy consumption per product slightly in 2013. The reason behind this was a shift in demand towards products whose production requires more energy (see also page 86). Compared to the base year 2010, we have already saved 9.1 % on energy consumption. ➔ 18

We also aim to use less fossil fuels and successively increase our use of renewable energies. Already 17% of the electricity used comes from renewable energy sources. We also process production waste for thermal utilization and saved approximately 2,744 tons of heating oil in 2013 as a result. A major portion of our energy consumption takes place at our headquarters in Holzminden, due to the high production volumes generated there. Our subsidiary TESIUM therefore developed concepts for completely renovating our energy supply systems in 2012. This should reduce our dependency on fossil fuels, increase our energy efficiency and substantially lower our CO₂ emissions. In 2013, we performed initial feasibility studies and added greater detail to our plans.

WATER, WASTEWATER AND WASTE

We have committed ourselves to an efficient and careful use of the precious resource water: By 2020, Symrise wants to reduce both its water consumption and wastewater emissions per ton of product worldwide by a third. In 2013, we used 9.72 cubic meters of water per ton of product. This means that our water consumption has dropped 8.3% compared to the base year of 2010. ➔ 19 For 2013, our wastewater emissions were down by 12.3% compared to the 2010 figures at 8.81 cubic meters per ton of product. ➔ 20 The greatest water consumption was recorded at our site in Holzminden.

Some sites are located in areas that are currently experiencing a water shortage or are likely to be confronted with a lack of water in the future. We especially want to further reduce our water

consumption at these sites using a series of initiated programs and improved wastewater treatment. In order to train every single employee on handling water efficiently, we started sensitivity training at sites in places like Brazil, Colombia and Singapore and implemented measures to help increase efficiency. Whenever possible, we reuse water in our production processes by recycling it ourselves.

Our waste management consists of waste avoidance, thermal recycling of waste to generate energy, reuse of waste and recycling. In 2013, we reduced our waste volumes by 16.9 % per ton of product compared to the figure from 2010 and therefore are well on track for meeting our goal of producing 33% less waste by 2020. Chemicals, oils or solid waste were not released into the environment in material quantities in the reporting period. ➔ 21

BIODIVERSITY

Nature is an irreplaceably valuable source of natural raw materials for Symrise. That is why we closely assess our influence on biodiversity, to ensure the long-term availability of natural resources. As part of this, we participated in a biodiversity check performed by the Global Nature Fund and the corporate consulting firm dokeo in 2011 and 2012. The check examines the interactions between biodiversity and a company's own activities and derives opportunities and risks along the product life cycle. As the results showed, Symrise has recognized the importance of this issue and sets itself apart in terms of its commitment, clear responsibilities and regular materiality analyses. We do however see a need for improving our systematic method for recording data on the direct and indirect influences on biodiversity, which also includes the development of specific indicators for impact evaluation. These results flow into our strategy and into the development of suitable measures so that we can better assess our influence on essential locations both inside and outside of conservation areas. ➔ 22 We also want to expand our cooperation with scientific and social actors and more actively involve our employees.

Numerous initiatives worldwide demonstrate the ways in which we breathe life into our commitment to sustainable corporate governance every day. Read about our progress at www.symrise.com/sustainability.

*Since 2010, we have been able to reduce our wastewater emissions per product by **12.3 %**. During the same time period, the chemical oxygen demand (COD) declined by **24.9 %**.*

EMPLOYEE TURNOVER WORLDWIDE

in %



Employees

Responsible HR policy is part of our corporate culture: It conveys goals and establishes common values. It also includes further qualification and training for our employees, promoting diversity among the workforce and enhancing compatibility between professional and private life.

When assessing the results of our employee engagement survey from 2012, we can be especially proud: Symrise Germany is among the top 15% of most attractive employers with regard to employee satisfaction and motivation. Our employee turnover rate is also solid, amounting to only 4.4% globally – further evidence that our employees feel at home here at Symrise. ➔ 23 The opinions collected also highlighted areas where we still have room to im-

prove. For example, our employees have expressed a desire for greater developmental and career prospects. Achieving an improved balance between work and family is also taking on an increasingly important role. In view of these results, we worked on the matters referenced by our employees during the past year and introduced a diverse series of measures. As a result, succession planning, developing managers and making Symrise an even more family-friendly employer were leading HR policy focuses in 2013.

PRINCIPLES OF THE PERSONNEL POLICY

Our Integrated Management System is binding throughout the company and 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 Children's Rights. Humane working conditions, decent employment and due consideration for the social aspects of employment are the foundation for how we act at every location. The abuse of employees' rights or safety at work provisions is illegal and is not tolerated in any form at Symrise. We guarantee a compensation that, at the very least, corresponds to the legal or standard wage levels for the respective industry. Treating the interests of our employees fairly also means that we base our remuneration policy on the collective agreements for our industry.

With regard to working hours and paid vacation, Symrise complies with local statutory provisions, wage agreements and national practices in the countries where we operate. We also attach great importance to participation by employee representatives in the spirit of partnership. A clear commitment to freedom of association and the right to membership in a labor union are a matter of course for us. Around the world, the overwhelming majority of our employees are covered by collective bargaining agreements. In Germany, the figure is 100% for those covered by wage agreements. There were no strikes in the company in 2013. ➔ 24

REMUNERATION

Flexible and performance-related remuneration systems are an integral part of a modern remuneration policy and increase a company's attractiveness as an employer. Symrise Germany has had a transparent remuneration structure in the form of remuneration ranges since 2010. These enable supervisors and employees to actively develop their remuneration in parallel to further professional training. These models were also recently introduced in France and Asia. Their structured and clearly defined remuneration methods are advantageous and simplify international comparability in particular. In addition, a separate global performance bonus plan – with which we aim to achieve the

company targets we have set by means of a variable remuneration geared toward results and performance – applies to about 70 managers with global or regional responsibilities. We also are working on further incentive and bonus concepts worldwide. After all, employee performance should pay off at Symrise. ➔ 25

YOUNG TALENT AND PERSONNEL DEVELOPMENT

Recent studies show that 90% of the knowledge one acquires on the job is learned either through practical experience or from colleagues and managers. That is why Symrise follows a strong implementation-oriented approach to personnel development. One major focus of this approach is placed on succession planning: For key positions that are especially relevant to business performance, we systematically identify and develop potential successors.

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

- Flavorist and perfumer school
- Technical / specialist training for our employees
- Training for sales personnel
- Developing managerial staff

Our flavorist and perfumer school has enjoyed great success around the world. Every year, young employees complete their training as junior flavorists or perfumers. Since 2009, we have been offering diverse training opportunities to semi-skilled employees in production that qualify them as flavor specialists or process chemical technicians as well as, more recently, 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. In the future, we will develop our junior managers in a more targeted manner and, in order to do so, we have implemented the global program "Symrise's Future Generation" in addition to regional initiatives. Starting in 2014, 20 to 30 talented individuals will be trained for key positions based on an individual potential analysis. Experienced managers will accompany the junior managers as mentors.

Symrise Academy



We have also reinforced our investment focus on training future specialists and expanded capacities in the training laboratory used to train chemical-technical personnel, among other measures. As of December 31, 2013, a total of 126 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 2.1 %. In an effort to motivate young people for training at Symrise, we are involved in numerous orientation events for students such as the Idea Expo in Hanover or regional career info days.

Furthermore, we also want to develop the personal competencies of our employees in the sense of lifelong learning and therefore offer a diverse training and educational program that ranges from safety training and language courses to project management and IT classes. In 2012, Symrise finalized a wage agreement regarding further training with social partners in Germany that should help foster the systematic promotion of employees in addition to existing initiatives. At Symrise, we spend about € 2.7 million annually on training and personnel development measures worldwide. In 2013, approximately 600 internal and external training sessions were organized in Germany, where roughly 1,350 employees participated. The average length of a training session amounted to about 10 hours per participant.

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

KNOWLEDGE MANAGEMENT

As a globally operating and integrated company, the transfer of knowledge plays an important role in Symrise's commercial success. Via numerous platforms, our approximately 6,000 employees can easily share important information with each other. In 2013, we developed new internal communication systems that enable

a fast exchange of knowledge, particularly business-relevant information in the Marketing, Sales and Research departments. The web-based systems are interactively and dynamically geared to the user.

DIVERSITY AND EQUALITY OF OPPORTUNITY

Diversity among employees enriches Symrise, thanks to the various viewpoints, cultural influences and experiences. We appreciate the diversity of opinions, genders and cultures as well as the diversity of cohabitation constellations in society. Our employees should have equal opportunity regardless of their gender, sexual identity, age, nationality, religion or disabilities. We hold to the principle of equal opportunity for equal qualifications. ➔ 26

The majority of our employees and managers hail from the respective country of Symrise's global sites. But we also actively promote intercultural diversity with personnel development measures. As part of our diversity efforts, we pay special attention to the share of women at Symrise. ➔ 27 Worldwide, 38.8 % of our employees are women. Our upper management positions, however, are currently underrepresented compared to the overall staff, with only 14 % of such positions held by woman. We want to change this and have set an ambitious goal: By 2020, the share of women in upper management positions should reach 20 % globally. We define upper management as all employees worldwide who are employed in the first three management levels. In order to simplify entry into these management positions for women, we are implementing targeted incentives as part of our talent management and the promotion program "Symrise's Future Generation."

We want to create a workplace that allows our employees to better harmonize their professional and private lives. That's why Symrise offers its employees flexible working time models, part-time employment and job sharing. In Germany alone, around 92 % of

GLOBAL SHARE OF WOMEN IN MANAGEMENT POSITIONS AT SYMRIS

	2011	Share	2012	Share	2013	Share
Share of Women of total workforce worldwide	2,214	39.7 %	2,298	39.6 %	2,369	38.8 %
Share of Women of upper management worldwide	6	11 %	7	12 %	8	14 %

Basis: Fixed-term and permanent employees, not including apprentices, as of December 31 of the respective year.
Definition of upper management: All employees worldwide that are employed in the first three management levels.



Symrise wants to actively promote diversity.

That's why the company has set the goal of increasing the share of women in upper management worldwide to 20 % by 2020.

Our motto: Equal opportunity for equal qualifications.

our employees can arrange their working time flexibly. Employees who have already worked for three years at Symrise have the opportunity to take 12 months of leave to care for family members. Beyond the state-mandated parental leave allowances, these employees are also entitled to an additional parental leave package for a duration of up to one year. We also cooperate with various day care centers at our headquarters in Holzminden to make child care easier.

In 2013, we were recognized by the German Federal Ministry of Family Affairs for our family-oriented personnel policies and the advancement of female employees' careers: Symrise received a grade of 72 in the Women's Career Index and therefore was among the top third of participating companies. Along with acknowledging our previous performance, we also recognized potential for improvement thanks to this benchmarking process. We identified the share of women at the various levels of management as well as the development of even more flexible working time models as areas needing greater attention in the future. The recognition of our current efforts provided Symrise with even greater incentive to improve in these areas.

OCCUPATIONAL HEALTH AND SAFETY

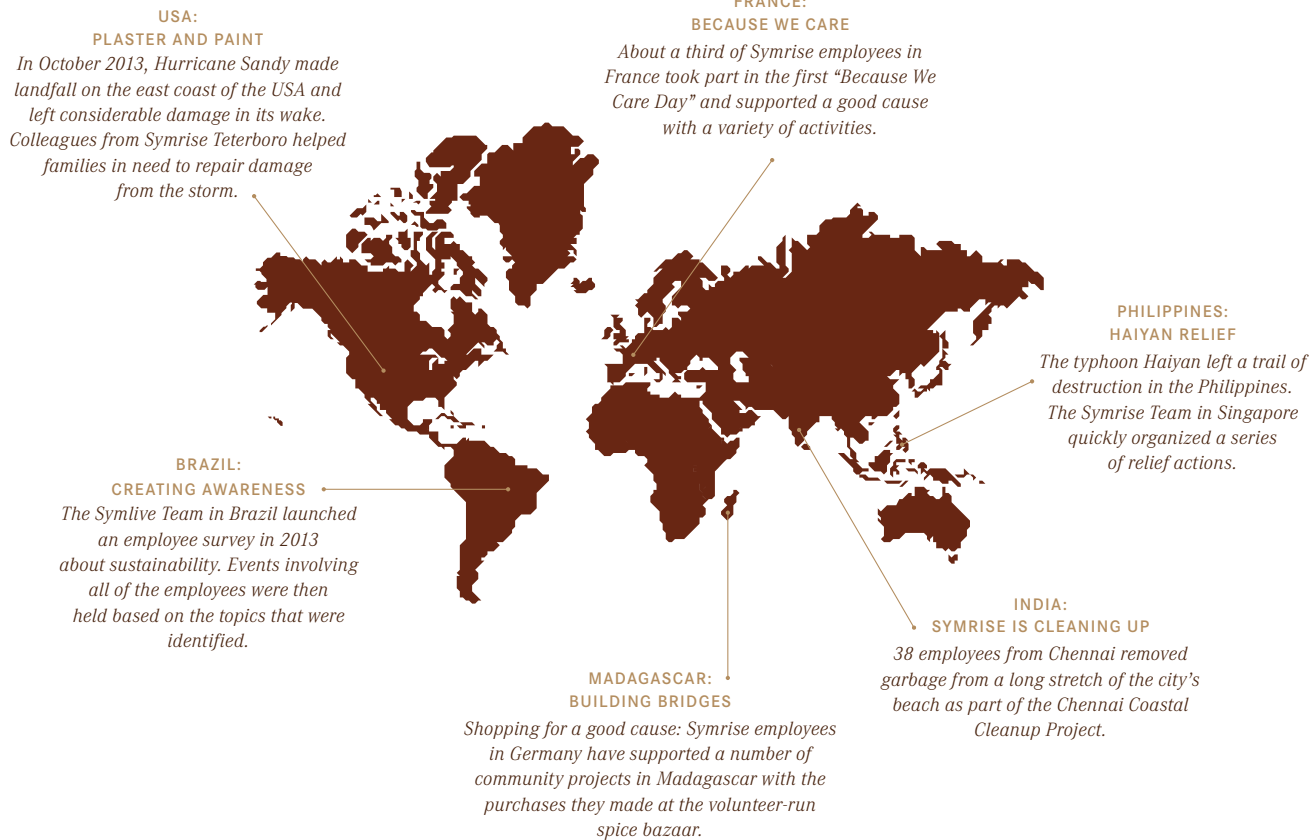
We are committed to providing our employees with a workplace free of dangers to their safety or health. To accomplish this at all sites worldwide, we operate various programs on workplace safety. Specific measures are implemented at the sites individually in order to best conform to local situations, guided by corresponding systems and working groups.

Regular training courses in safety at work are compulsory across the Group. Should an accident occur, we work together with the employees in the affected departments on measures to avoid similar incidents in the future. After a slight increase in the frequency and intensity of such incidents in 2012, we established a task force to precisely analyze the accidents and develop countermeasures. The increase in accident frequency was halted thanks to these measures, with the number of accident-related sick days being nearly cut in half (minus 48%). ➔ 28 Since 2012, our company has been certified with regard to occupational safety according to OHSAS 18001 at our Holzminden site.

Along with work safety, health precautions via corporate health management are another important aspect of our personnel policy. At nearly all sites around the globe, we offer our employees a wide range of health promotion activities. They range from free flu vaccinations and regular health checks to in-house and external sport and wellness facilities and advice to medically coordinated reintegration after a lengthy illness.

We attach great importance to "operational health management" and have agreed with the company's social partners on a program that includes further training and educational events. To recognize and minimize ergonomic burdens, health circles were set up with certain focal points and work stations were systematically analyzed for weaknesses. In addition, Symrise regularly organizes health days on key issues such as healthy nutrition or stress management. In the management training program, the issue of addiction and addiction prevention is addressed.

Numerous initiatives worldwide demonstrate the ways in which we breathe the life into our commitment to sustainable corporate governance every day. Read about our progress at www.symrise.com/sustainability.



Society

Trust is the most important basis for our operations. Symrise is aware of this and accepts its social responsibilities: At our sites around the world, we are committed to making a positive impact on the communities in which we live and work.

Our guiding principle for social commitment, "Because we care," highlights Symrise's understanding of its place as a responsible member of society. We want to be a valued, accepted and active partner in our surrounding communities. That's why Symrise promotes the concept of shared value: When we account for the demands of our various stakeholder groups across the entire value chain and make a positive influence on society while enjoying the direct economic advantages of this, we create value for all parties. And that, in turn, secures the long-term success of our company.

PARTNERING WITH COMMUNITIES

In order to better understand how our operations affect our surrounding environment, Symrise maintains contact with its neighboring communities and residents at its more than 30 sites. ➔ 29 A neighborhood newsletter, for example, helps keep the residents living near our headquarters in Holzminden informed about the company's activities. We want to engage in partnerships with the communities surrounding our international locations as well. In Brazil, Germany and Madagascar, which are key countries for sourcing citrus fruits, vegetables and vanilla, we place great im-

portance on supporting and promoting the local economic structures in addition to our business operations.

CORPORATE VOLUNTEERING

Our local employees are the most important link between our sites and the local communities. Over 90% of the management staff are from the local area. Many ideas for the non-profit projects we participate in come from our employees. We support their commitment in both material and financial form. It is our aim to have every employee contribute to the sustainability of our company and business activities. To accomplish this, we initiated a global employee network of volunteer sustainability ambassadors to solidify our sense of entrepreneurial responsibility. These ambassadors work to generate even more motivation for social projects – e.g. through workshops and targeted sensitivity measures.

The existing volunteer initiatives at nearly every Symrise site testify to our employees' willingness to get involved with social projects. In India, for example, multiple Symrise employees joined together and organized a blood drive, participated in garbage collection projects or projects aimed at helping the homeless. The 13 members of the Symrise team in Brazil also have been creative in finding ways to inspire others to live more sustainably. And in France, the Care Team organized a so-called solidarity afternoon in November 2013, where colleagues could participate in various social initiatives. More information on the various volunteer projects our employees participate in can be found online: ➔ 30

DONATIONS AND SPONSORING

Topics like nutrition, hygiene, skin protection, care and well-being are just as important to our company as they are to society. That's why we offer support beyond our business activities for organizations, institutions and projects that make a non-profit contribution to these areas. To ensure that we create added value, we perform needs analyses before we commit to larger projects. Our global donation and sponsorship activities are coordinated centrally, while providing our local companies with the freedom to make independent decisions and implement them. With our donation and sponsoring guidelines, we ensure that funds are distributed worldwide according to uniform principles and in line with our corporate strategy. Corporate Audit regularly assesses these donations and sponsoring contributions for their compliance with these guidelines and the Symrise Code of Conduct. Politicians and political parties do not receive any contributions from Symrise.

We also invest in the future by supporting scientific advancements and providing people with access to a quality education. We support preschools, schools, universities and other non-profit institutions both in education and training as well as research. A requirement here is that the project to be supported is local to one of our company sites or is relevant to our business activities.

We prefer to support projects where we can put our expertise to good use. For example, we support the project "Grow with me" in Cleveland, Ohio, which teaches children in the USA about the importance of a healthy diet via a community garden. In Brazil, we cooperate with the Dorina Nowill Foundation, which is committed to the inclusion of vision-impaired individuals: We also provide training materials for vocational training in the fragrance industry. Furthermore, with our help, the educational project operated by the Brazilian NGO Beleza & Cidadania offers people with low incomes low-priced training in personal care. In Madagascar, well over 10,000 people now benefit from our support in the areas of health, nutrition and education in the communities where we source vanilla. We also promote a scholarship program for students from low-income families in the Philippines.

As experts in UV protection, Symrise also helps children that suffer from the so-called "children of the night" disease – a genetic defect that prevents the body from being able to repair damage resulting from UVA and UVB radiation. Accordingly, we awarded a three-year grant on the research of possible treatments at the Leibniz Research Institute for Environmental Medicine (IUF) in Düsseldorf. At the same time, Symrise also supports sick children and their families and even invited some young patients to a night-time workshop in Paris.

In 2013, we invested a total of more than € 800,000 in community interests across the Group. This amount includes social projects, donations and sponsorships. An extensive overview of our various social commitments around the world can be found online: ➔ 31

Numerous initiatives worldwide demonstrate the ways in which we breathe the life into our commitment to sustainable corporate governance every day. Read about our progress at www.symrise.com/sustainability.

Awards

PWC Supply Chain Excellence Award

Our sustainable vanilla sourcing earned us a place among the four finalists for the Supply Chain Management Award. From the vanilla bean to customers' end products, Symrise shows full transparency and creates added value for all stakeholders along the vanilla value creation chain.

Numerous Successes for Symrise Life Essentials

The achievements of Symrise were accoladed a total of five times at the in-cosmetics 2013: SymHair™ Force 1631 earned a silver Best Ingredient Award in the Innovation Zone. Dr. Klaus Stanzl, President Life Essentials at Symrise, was given a Life Achievement Award. Symrise also took home prizes at the BSB Awards: SymFit® nat 1750 won first place while Sym3D® and SymBronze® 1659 each won second place.

Women's Career Index

With a score of 72 in the Women's Career Index, Symrise is in the top third of participating companies that proactively create better working conditions for women. The Women's Career Index is an initiative of the German Ministry of Family Affairs.



FIE Excellence Award

At Food Ingredients Europe 2013, the largest industry trade fair in Europe, Symrise was able to come out on top against strong competition: The company was presented with the FIE Excellence Award in the sustainability initiative category for its commitment to vanilla in Madagascar.

Industrial Merit Award Mexico

Our company was given the Industrial Merit Award for the location in Monterrey, Mexico, which has been a reliable employer in the region for seven decades.



Green Company

DQS has certified Symrise as a “Green Company.” The certification confirms the high transparency and accountability of our internal corporate processes with regard to products, services and environmental standards.

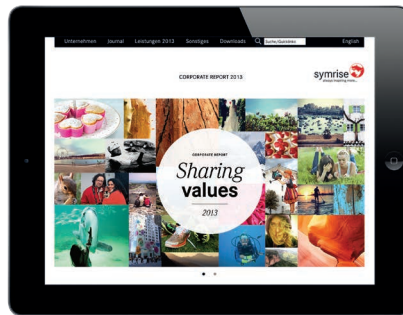
International Microentrepreneurship Awards

Two microentrepreneurs from projects supported by Symrise received an International Microentrepreneurship Award from the French foundation PlaNet Finance:

Marie-Claire Tombozandry from Madagascar (project: micro-health insurance) and Fatimata Abdulai from Ghana (project: shea butter).

SEPAWA Innovation Award

The cosmetic multitalent SymSave® H received the SEPAWA INNOVATION Award, which was awarded for the first time this year. SymSave® H has an antioxidant effect and soothes the skin. It also boosts the effectiveness of the preservatives in cosmetic formulas.



Online Report

This print publication is an abridged version. The complete report is available online at cr2013.symrise.com.



About This Report

This 2013 corporate report provides a holistic depiction of Symrise's performance in 2013 – both from a business perspective as well as from a sustainability standpoint. We have reported on our sustainability activities annually since 2006.

The 2013 financial report, which contains the complete consolidated financial statements, the Group management report and all other legally required elements, is provided as a supplement to this corporate report or can be viewed electronically and ordered in print form at www.symrise.com/investors. The auditor's report refers solely to the parts of the financial report that are relevant for certification and is only included therein.

The Symrise 2013 corporate report was published simultaneously with the 2013 financial report on March 10, 2014. Both reports are available in German and English. The environmental data contained in the corporate report relates solely to production sites. All other data, unless stated otherwise, relates to the Symrise Group, which consists of the parent company Symrise AG and the companies that it has under its control (subsidiary companies). The publication date of the corporate report for the 2014 fiscal year is March, 2015. Additional information on our company's activities can be found at www.symrise.com.

GRI Application Level Check Statement

The Corporate Report 2013 was compiled in accordance with the Global Reporting Initiative's (GRI) G3 guidelines and fulfills the highest reporting standard A. The GRI Certification Notation can be viewed online at cr2013.symrise.com.



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PUBLISHER

Symrise AG, Mühlenfeldstrasse 1
Corporate Communications
37603 Holzminden, Germany
T +49 55 31.90 – 0
F +49 55 31.90 – 16 49

CONCEPT AND EDITING

PvF Investor Relations, Eschborn
akzente kommunikation und beratung,
Munich

CONCEPT, DESIGN AND REALIZATION

3st kommunikation, Mainz

TRANSLATION

EnglishBusiness AG, Hamburg

REPORTAGE

Marc-Stefan Andres, Münster

PHOTOGRAPHY

Marcus Pietrek, Düsseldorf
Samuel He, Singapore
Stefan Falke, New York
Santhosh Photography, Chennai
Ruben Arrieta, Mexico
Danny Santos, Singapore

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SYMRISE ON THE INTERNET

www.symrise.com
www.symrise.com/sustainability
www.symrise.com/investors
cr2013.symrise.com

FORWARD-LOOKING STATEMENTS

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

Financial Calendar

MARCH 10, 2014

Corporate and Financial Report 2013

MAY 6, 2014

Interim Report 1st Quarter 2014

MAY 14, 2014

Annual General Meeting

AUGUST 7, 2014

Interim Report 2nd Quarter 2014

NOVEMBER 4, 2014

Interim Report 3rd Quarter 2014



The FSC® logo identifies products which contain wood from well-managed forests certified in accordance with rules of the Forest Stewardship Council.



