always
inspiring more …

symrise

SHARING VALUES

Diversifying Success. Successfully Diversifying.

CORPORATE REPORT 2016

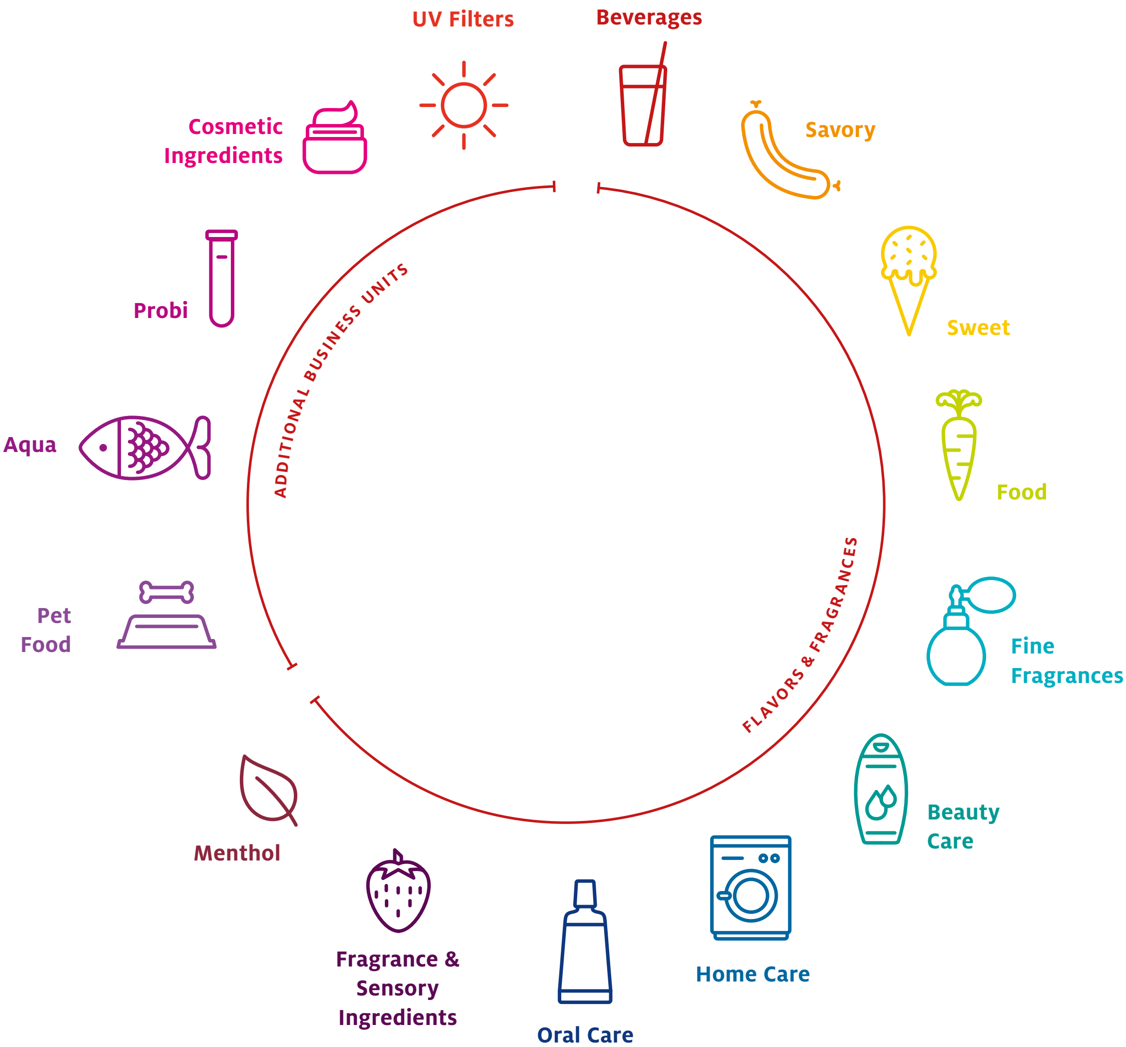

PARIS
MIEL BLANC
50mL

Key Figures of the Group

		2012	2013	2014	2015	2016
Business						
Sales	€ million	1,734.9	1,830.4	2,120.1	2,601.7	2,903.2
EBITDA [1]	€ million	338.9	373.1	464.5	572.2	625.2
EBITDA margin [1]	in %	19.5	20.4	21.9	22.0	21.5
EBIT [1]	€ million	252.6	283.1	337.9	395.2	423.3
EBIT margin [1]	in %	14.6	15.5	15.9	15.2	14.6
Net income [1]	€ million	157.5	172.3	211.6	246.8	265.9
Balance sheet total (as of December 31)	€ million	2,150.2 [2]	2,210.4	3,999.8	4,183.8	4,752.8
Capital ratio (as of December 31)	in %	40.9 [2]	43.0	35.8	38.0	36.4
Investments (without M & A)	€ million	70.3	70.7	101.3	147.2	168.4
Net debt (incl. pension provisions and similar obligations) / EBITDA (as of December 31) [1]	ratio	2.4 [2]	2.0	3.2	2.8	3.1
Research and development expenses [1]	€ million	113.8	127.0	138.9	169.6	186.0
Operating cash flow	€ million	219.5	274.8	343.2	375.2	338.8
Capital Market						
Shares issued as of balance sheet date	millions	118.2	118.2	129.8	129.8	129.8
Share price at end of fiscal year (Xetra® closing price)	in €	27.12	33.50	50.13	61.33	57.83
Market capitalization at end of fiscal year	€ million	3,204.9	3,958.8	6,507.5	7,961.4	7,507.1
Earnings per share [1]	in €	1.33	1.46	1.69	1.90	2.05
Dividend per share	in €	0.65	0.70	0.75	0.80	0.85 [3]
Environment						
Carbon dioxide emissions (Scope 1 and Scope 2) [4, 5]	in t	240.51	226.00	201.76	243.04	230.05
Chemical oxygen demand (COD) in wastewater [4, 5]	in t	5.73	5.68	4.96	5.21	4.31
Sensitive waste [4, 5]	in t	16.51	14.99	15.90	14.20	14.34
Employees						
Employees (as of December 31)	FTE [6]	5,669	5,959	8,160	8,301	8,944
Fluctuation rate	in %	5.3	4.4	4.8	5.1	4.8
Number of accidents	MAQ [7]	5.3	5.3	4.8	3.9	3.8

1 Figures for 2014 and 2016 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations
2 adjusted as a result of changes to accounting policies in 2012
3 proposal
4 per € m of value created; Figures for 2015 and 2016 including Diana but without Renessenz
5 In 2014, we have redefined the calculation basis for our consumption and emission values: We now record these data no longer per ton of product, but per million of added value. The values of previous years were restated accordingly. The basic trend remains unchanged.
6 not including apprentices and trainees; FTE = Full Time Equivalent
7 MAQ = Number of accidents (> 1 lost day) x 1 million/number of working hours

Our Product World

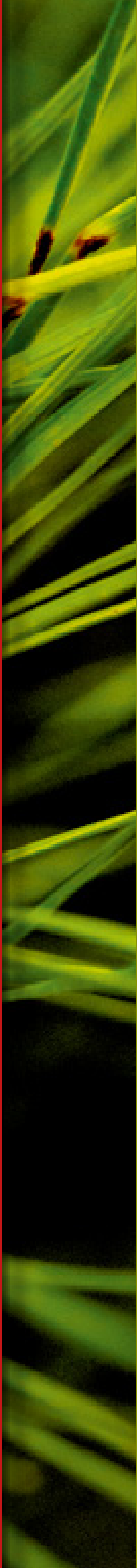


Symrise has always created exciting taste and fragrance experiences – this is at the heart of our daily operations. With commitment and dedication, we develop the best possible concepts for our customers' products. We do this so that consumers around the world can take pleasure in the most common things of everyday life and also benefit from healthy or nurturing properties.

Symrise is different: We constantly seek out new challenges that we take on with entrepreneurial innovation and creativity in order to discover additional business potential. We are willing to go further than others. And that makes all the difference. Our success speaks for itself. In this way we fulfill our motto of "always inspiring more …" day after day.

DIVERSIFYING SUCCESS.
SUCCESSFULLY DIVERSIFYING.

Symrise is one of the world's most successful manufacturers of fragrances and flavors. Yet, we are always looking for new business fields and markets where we can apply and expand our strengths – and thereby separate ourselves from the competition. A third of our business is already generated with cosmetic active ingredients and raw materials, functional ingredients, pet foods, aquacultures and probiotics. By constantly forging new paths, we are expanding our customer base, developing new customer benefits, advancing our business success and adding to our sustainability achievements.



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This print publication is an abridged version. The online report with a wide variety of additional information is available at cr2016.symrise.com.

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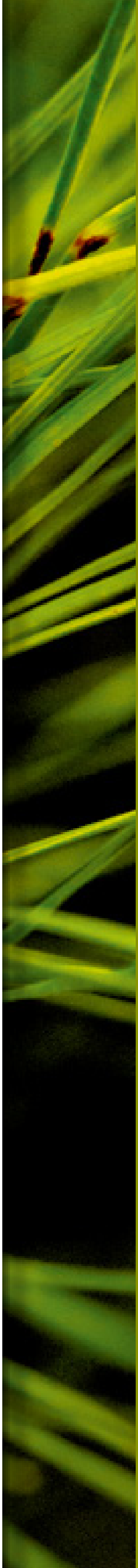
From the Sustainability Record



Dear readers and friends of Symrise,

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

That Symrise often takes a different approach to things is clear from the articles in our magazine: How we sustainably extract scent molecules from natural by-products (see page 18). Why our employees visit banana plantations in Ecuador (see page 36). Or why Symrise keeps its own bees (see page 46).

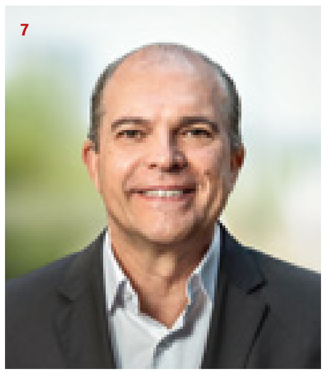
Striving for economic success is what drives us. The results for the 2016 fiscal year are presented in the summary of the Group management report and consolidated financial statements. Sustainable business practices are an integral part of our corporate strategy and our business model. A comprehensive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

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

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

Your Global Management Committee

»We are optimistic about the prospects for 2017. Symrise will continue to be successful – successfully different.«



SYMRISE'S GLOBAL MANAGEMENT COMMITTEE

1 DR. HEINZ-JÜRGEN BERTRAM CEO **2 ACHIM DAUB** President Scent & Care
3 HEINRICH SCHAPER President Flavor **4 DR. NORBERT RICHTER** Aroma Molecules Division
5 OLAF KLINGER CFO **6 DR. JEAN-YVES PARISOT** President Nutrition
7 EDER RAMOS Cosmetic Ingredients Division

Our Values, Goals and Responsibility

Shared values provide the basis for shared goals at Symrise: striving for economic success while taking on responsibility for the environment, employees and society. Sustainability is an integral part of our business model. It supplies us with specific competitive advantages and secures the long-term success of the company.

Successful companies have a strong corporate culture. Symrise is a perfect example of this. Our employees, who work in more than 40 countries around the world, share common values as the basis for shared goals: Our values – our roots – describe the attitude and the team spirit we are committed to sharing with each other at Symrise. They explain the manner in which we want to achieve our goals.

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

Symrise assumes responsibility that goes beyond the company itself. It takes its customers and consumers, its employees, society and the environment into consideration. Sustainability is a core component of Symrise's business model. Our corporate strategy integrates economic ambitions with our four sustainability approaches: footprint, innovation, sourcing and care. In this way, we ensure long-term-oriented value creation and allow all of our stakeholders to participate in the company's success.

OUR MISSION: What is our mission?

We develop customized fragrance and taste solutions, which often contain health-promoting or nurturing properties. We combine our knowledge of consumers' ever-changing needs with creativity and groundbreaking technologies. In doing so we strive to ensure long-term-oriented value creation and allow all of our stakeholders to participate in the company's success.

OUR VISION: What drives us forward?

We take responsibility seriously, letting our creativity unfurl with a focus on the highest quality along with sustainable processes and products. This makes even the most everyday items a special experience for consumers and their loved ones. In this way, we fulfill our promise of "always inspiring more…" day after day.

OUR STRATEGY: What makes us successful?

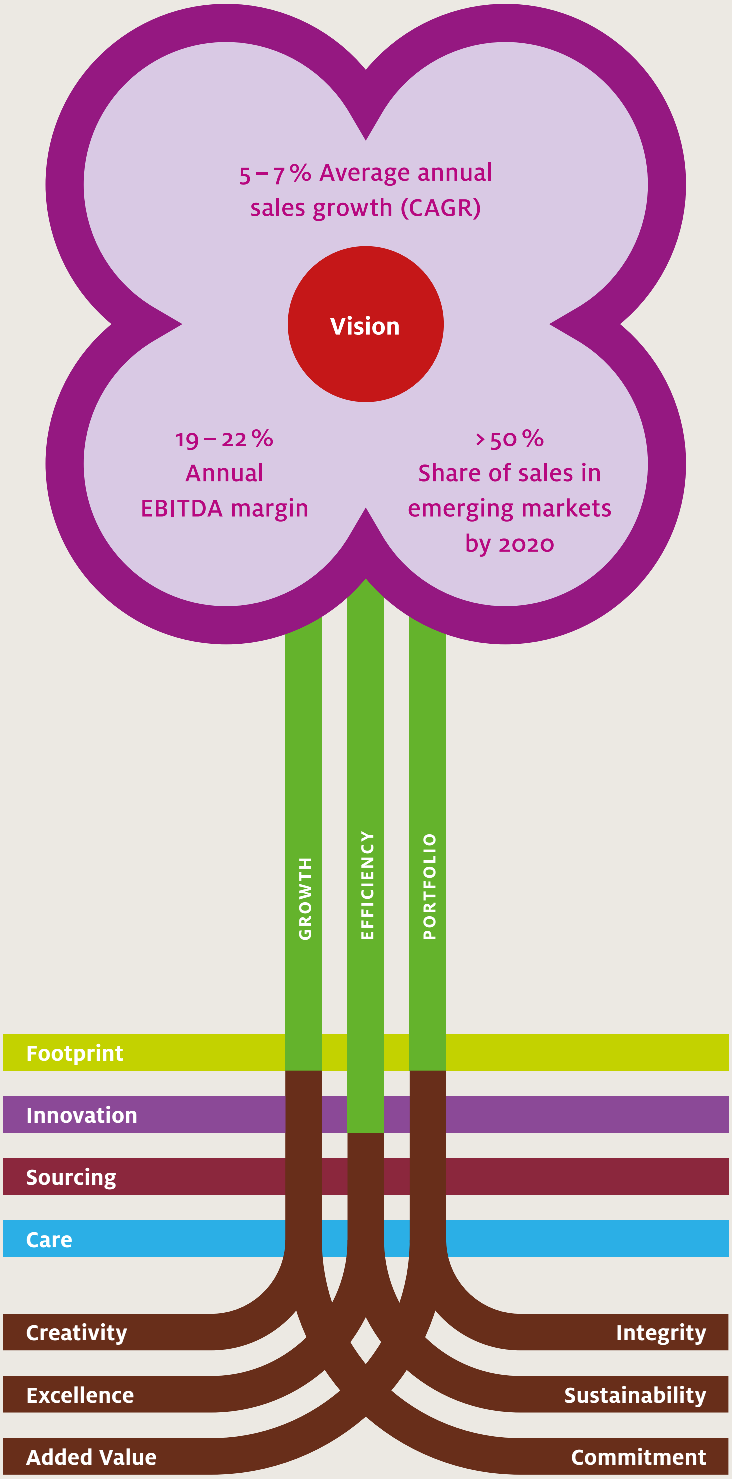
The three pillars of our strategy translate the mission, vision and values into concrete goals. This allows us to ensure the success of our company both today and in the future.

SUSTAINABILITY: How do we implement it?

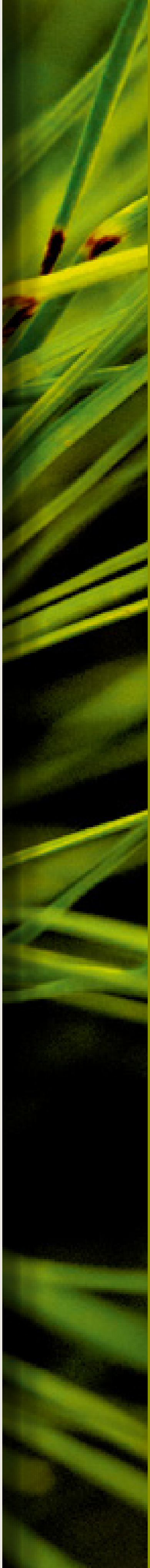
We focus our sustainable and profitable growth on four objectives. That's because we are paving the way for future generations with increasingly efficient processes and a portfolio that helps to meet the basic needs of a global population in terms of nutrition, health and well-being.

OUR VALUES: Who are we and what do we stand for?

Our values describe the attitude and team spirit we are committed to at Symrise. They explain the manner in which we want to achieve our goals.



OUR INTEGRATED CORPORATE STRATEGY FOR EXCITING TASTE AND FRAGRANCE EXPERIENCES AND SUSTAINABLE GROWTH



Our Company

Symrise's products provide exciting flavor and fragrance experiences and contribute to the health and well-being of consumers in 160 countries around the world. A dedicated focus on our customers, a high level of innovation and targeted expansion in new markets represent the basis for our sustainable, profitable growth.

Symrise develops, produces and sells fragrances and flavorings, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products. Our company's nearly 30,000 products are mainly produced on the basis of natural raw materials like vanilla, citrus fruits, onions, fish, meat, blossoms and plant materials. Our flavors, substances, perfume oils and sensory solutions are often central functional components for our customers' end products. These customers include manufacturers of perfumes, cosmetics and foods, the pharmaceutical industry and producers of nutritional supplements, pet food and baby food.

Our company's origins go back to the year 1874. Symrise has since grown to achieve a market share of currently 11 % – making it one of the leading suppliers of flavors and fragrances on the global market. A high level of innovation and creativity, an exact knowledge of customer needs and various regional consumer preferences as well as targeted expansion into new and promising market segments contribute to our company's above-average growth rate. Today, Symrise has about 9,000 employees working at sites in more than 40 countries, serving over 6,000 customers in roughly 160 countries.

Symrise's growth is primarily organic. We complement this growth by acquiring attractive companies that bring additional competencies into the Group and provide us with access to new market segments and customer groups. We also enter into strategic partnerships to develop new products. In 2014, the acquisition of the French Diana Group represented a strategic milestone for the Flavor & Nutrition segment. In 2015, Symrise bolstered its activities in the Scent & Care segment with the acquisition of the US-based company Pinova Holdings Inc.

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

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

How

we create value the following pages will show you. Here, we distinguish between the five dimensions: economy, footprint, innovation, sourcing and care. Footprint represents our environmental footprint, innovation describes our resource-conserving and business-enhancing effects, sourcing stands for sustainable raw materials sourcing, while care illustrates value creation for employees and the surrounding communities. We want to increase the positive impact of our actions and continue to reduce any negative effects even further.

OUR RESOURCES

ECONOMY

Equity
1,732
€ million

Debt capital
1,750
€ million

Investments in property, plant and equipment and intangible assets (excluding acquisitions):
168 € million

FOOTPRINT

Energy consumption:
4,939
terajoules

Water consumption:
4,720,800
m³

New power plant in Holzminden:
-31,000
t/year CO_2 emissions

INNOVATION

186
€ million spent on research and development

Number of employees in research and development:
1,577

7.8
€ million in state research grants

SOURCING

1,200
€ million procurement volume

Around
10,000
natural and synthetic raw materials from over 100 countries

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

CARE

Number of employees:
9,092
(including trainees and apprentices)

44 %
Global share of women in management positions

Employees from over
20
nations make up the Symrise team

OUR BUSINESS MODEL

Segments

FLAVOR | NUTRITION | SCENT & CARE

Divisions

Flavor | Diana | Fragrance | Cosmetic Ingredients | Aroma Molecules

Business units

- Flavor: Beverages, Savory, Sweet
- Diana: Food, Pet Food, Aqua, Probi
- Fragrance: Fine Fragrances, Beauty Care, Home Care, Oral Care
- Cosmetic Ingredients: Cosmetic Ingredients
- Aroma Molecules: Aroma Molecules

SHARING VALUES

Symrise uses a wide variety of resources to generate value for many stakeholder groups as part of our proven, future-oriented business model. Our integrated corporate strategy incorporates aspects of sustainability throughout the entire value chain.

We're aware of the fact that we as a company bear responsibility for the profitable use of the capital entrusted to us, the efficient use and protection of natural resources, the welfare of our employees and social interests. The people at Symrise share the same values as a foundation for shared goals.

OUR RESULTS

ECONOMY

Sales:
2,903
€ million, +16 % (at local currency)

EBITDAN:
625
€ million, +9 %

Net income:
266
€ million, +8 %

FOOTPRINT

Carbon dioxide emissions:
194,358 t
Scope 1
130,952 t
Scope 2
2,722,286 t
Scope 3

Wastewater:
2,801,900 m³
Total wastewater volume
4,426 t
Chemical oxygen demand

Sensitive waste:
14,708 t

INNOVATION

Over
85 %
of the global raw materials volume (2015) rated according to life cycle criteria

Number of patents submitted:
48

25 %
Share of the IP Index in the industry with 11 % market share

PRODUCTS AND PRODUCT SOLUTIONS

Around
30,000
products for 6,000 customers in 160 countries

CDP leading position
(climate, water, forests)

EcoVadis Gold Standard

100 %
of production facilities verified according to sustainability criteria

CARE

78 %
of employees would apply to Symrise again

3.5
Above-average satisfaction with the work situation (scale of 1–5)

67
Employee commitment index (2012: 63; scale 0-100)

Track Record 2016 Goals 2020

Symrise was successfully different again in 2016. Our sales grew faster than the relevant markets. We remain one of the most profitable companies in the industry. By expanding our network, we have strengthened our position in the emerging markets. We have increased our sustainability performance: By reducing our footprint, by practicing responsible innovation and expanding backward integration, and by increasing our attractiveness as an employer. We're well on the way to reaching the goals that we have set for 2020.

ECONOMY

16 % sales growth at local currency
(2016 – 2020 goal: CAGR 5 – 7 %)

21.5 % EBITDAN margin
(2016 – 2020 goal: 19 – 22 % annual EBITDA margin)

43 % share of sales for emerging markets
(2020 goal: > 50 %)

FOOTPRINT*

– 5.4 % reduction in greenhouse gas emissions (Scope 1+2)
(2016 – 2020 goal: Reduction of 4 % per year)

– 17.2 % reduction of chemical oxygen demand in wastewater
(2016 – 2020 goal: Reduction of 4 % per year)

+ 0.9 % increase of sensitive waste volume
(2016 – 2020 goal: Reduction of 4 % per year)

INNOVATION

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

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

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

SOURCING

86 % of main suppliers based on procurement volume rated according to sustainability criteria
(2016 – 2020 goal: Raise this share by 4 percentage points every year; 2020 goal: 100 % share)

41 strategic supply chains certified

100 % of palm oil requirement procured from sources certified as “mass balance” or “segregated”, in accordance with our Palmoil Policy
(2020 goal: 100 % of raw materials and derivatives from palm oil sourced from sustainable sources that follow our Palmoil Policy)

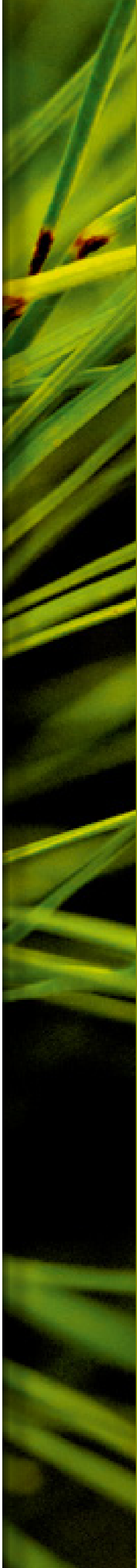
CARE

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

21 % Global share of women in upper management

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

**All figures relative to the value created and excluding Pinova/Renessenz*
***MAQ = work accidents (>1 lost day) x 1 million/working hours*



Our Highlights 2016

2/16

Scent Expedition to Madagascar

For the second time, a group of perfumers traveled to Madagascar with the goal of researching raw materials and finding inspiration for fragrance creations. The island off the east coast of Africa offers a wide variety of exotic blossoms, woods and roots. A particular focus was placed on the quality of the natural substances and the sustainability of their extraction. New fragrance creations for customers around the world and improved backward integration for Symrise were the results of the successful excursion.

GRADUATION DAY

After four years of training, five young talents at the Symrise Perfumery School successfully completed their exams with the presentation of their final projects. The new junior perfumers hail from Brazil, France and Germany. They were trained at Symrise's headquarters in Holzminden as well as at the company's global creative centers in industrialized and emerging markets around the world. The young perfumers will supply new impulses in the creation of beautiful fragrances at Symrise.

4/16

NEW SITE OPENS IN IRAN

With "Symrise Parsian," we opened a new site in Tehran and thereby strengthened our presence as an industry forerunner in the Middle East. Symrise maintains close and long-term relationships to customers in the region – a region that offers substantial business potential.

Repositioning in Perfume Creation

"We want to improve life with fragrances." This is the core message of the new positioning for perfume creation at Symrise. It comprises centuries of fragrance mastery, collaborative creation and pleasure with purpose for conscientious consumers. At Symrise, every fragrance should delight both the senses and the soul.

Successful Audit of the Symrise Sustainability Report

The independent auditing agency DQS confirmed that our Sustainability Report was a reasonable and credible presentation of the Group's sustainability profile, that all disclosures and figures were carefully ascertained and that the entire report is characterized by high accuracy. The verification is based on the AA1000 Assurance Standard.

8/16

UEBT Certifies Symrise Amazon

Symrise Amazon in Brazil is the first manufacturer of cosmetic ingredients, scents and flavorings in Latin America to be certified by the Union for Ethical BioTrade (UEBT). Symrise currently sources 19 natural ingredients from grower communities and cooperatives in the Amazon region according to internationally recognized standards for ethical organic trade. This includes the preservation of biodiversity and a fair distribution of the benefits with the growing communities.

VANILLA.SYMRISE.COM

Vanilla – Madagascar – Symrise: Our new English-language vanilla website connects with visitors, inviting them on a fascinating journey through the world of vanilla, and describes Symrise's diverse commitments regarding its sustainable sourcing of the "Queen of Spices."

10/16

Symotion Receives Green Logistics Award

The logistics company Symotion, a Symrise subsidiary, received the Green Logistics Award certification from the DQS (Deutsche Gesellschaft zur Zertifizierung von Managementsystemen). Symotion develops tailored logistics concepts for Symrise and other external customers. The DQS evaluates, for instance, the safety and storage of hazardous materials and transportation optimization to save fuel and reduce emissions. Symotion counts among the most environmentally friendly logistics companies in Germany.

12/16

+235%

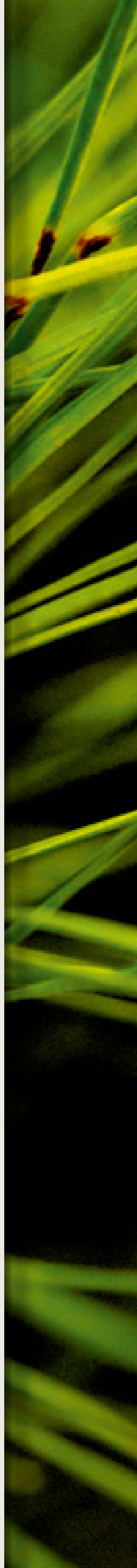
Symrise celebrated its IPO on December 11, 2006. At the time, our share was valued at € 17.25. Ten years later, the Symrise share was listed at € 57.79, which corresponds to an increase in value of 235%. The market valuation of Symrise AG has increased in this time from € 2.0 billion to € 7.5 billion – a clear confirmation of its steady and successful management.

Making a Commitment to Biodiversity

Symrise has signed a UN initiative making a voluntary commitment to biodiversity. Symrise supports preserving biodiversity, using it responsibly and sharing the value created by the genetic resources that our planet relies upon. By signing this initiative, Symrise is making a voluntary commitment to implement concrete measures, for example, to develop and carry out their own concept for preserving biodiversity in the supply chain.

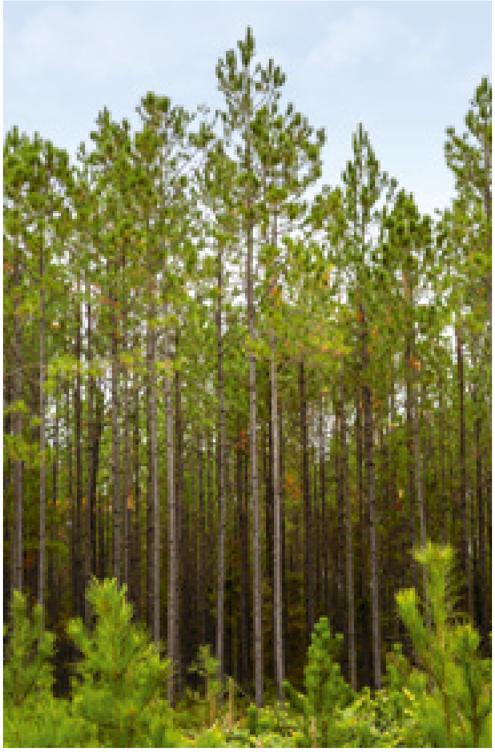
MEMBERSHIP IN THE FTSE4GOOD INDEX

In December 2016, Symrise underwent a scheduled review by the prominent international index provider FTSE. In the course of this, FTSE confirmed Symrise's membership in the FTSE4Good Index. FTSE provides financial market participants with security indices that cater to specific investment goals. The FTSE4Good Index features securities from companies with top performance in sustainability and corporate governance (ESG). It is highly regarded by ESG investors.



The Fragrance of Forests

The acquisition of the US company Renessenz as part of Pinova Holdings is taking Symrise's Aroma Molecules division to new levels. In Jacksonville, Florida, and Colonels Island, Georgia, USA, the company produces terpene-based aroma and fragrance materials from natural renewable feedstock, supporting about 30 % of Symrise's internal fragrance and flavor creations.



Greg Clements reaches for one of the light-green pine branches. He removes a needle from the two-year-old tree, which stands just as tall as him, and sniffs the fresh scent. Then Clements turns around. Perfectly arranged rows of small conifers growing in the sandy soil stretch as far as the eye can see. A hundred meters in the other direction lies another similarly arranged pine forest of trees planted over 20 years ago – these trees are now ready to be harvested. Here at the northern edge of Florida, the technical manager for strategic raw materials is looking at the origin of many Symrise products. These forests produce pinewood, which is rich in terpenes, an ingredient that is the initial building block for our aroma and fragrance materials. The trees will first be processed in a paper factory using the Kraft process. The Kraft pulping process produces a byproduct called crude sulfate turpentine (CST), which is the starting material for Symrise's terpene-based fragrance and flavor ingredients. The technology for the fractionation of CST into alpha and beta pinene and the extraction of sulfur was developed by the US company Renessenz, which has a rich history of over 100 years of innovation and production. As part of Pinova Holdings, Renessenz was acquired by Symrise at the beginning of 2016.
To get an overview of what we do, says Clements, it helps to start at the plantation. "It is important to us that we use a sustainable raw material to create equally sustainable products." The foresting company that owns the plantation, for instance, produces the wood in a sustainable cycle, certified according to the standards of the Sustainable Forestry Initiative (SFI). Other suppliers use the seal of the Forest Stewardship Council (FSC).

»It is important to us that we use a sustainable raw material to create equally sustainable products.«

GREG CLEMENTS Engineer

30%

of products in the Aroma Molecules division come from natural sources.

A portion of the trees go to the pulp factory. Greg Clements works closely with around 40 of these factories. He worked in the industry for many years and knows all the processing steps. In his current position, he is mainly involved in optimizing the extraction of crude sulfate turpentine (CST). The viscid, flammable liquid, which has a sulfuric smell, used to be burned as a waste product. Today, Symrise is reusing it. “The paper factories know their business very well,” says Clements. “Together, though, we can optimize processes to get the highest possible yield of CST.” At the end, the product is stored in tanks that Symrise transports back to its factory in Jacksonville using trucks and railroad cars. “Our logistics are an unbeatable advantage for the paper factories,” says Greg Clements. “The storage options for CST at the paper mills are very limited. We help the factories manage the supply chain of their byproducts reliably while simultaneously securing our raw materials basis.”

The Expertise Needed to Find the Best Scent Molecules

The multistep chemical process begins at the massive Symrise plant covering roughly 50 hectares. To start, the sulfur and other substances that can be used as fuels are removed from the CST via a strip distillation process, which the company developed. They provide about 50 % of the fuel that Symrise needs to generate steam. Richard Hastings manages the plant together with his team. The experienced Plant Manager has been working at the Jacksonville site for 37 years and knows the distillation and extraction systems like the back of his hand. He stands in front of a five-pillared reactor that runs around the clock. Gesturing energetically, he explains how the purified CST is separated in a continuous process into its main components – the terpenes alpha-pinene and beta-pinene. With further processing methods like hydrogenation or pyrolysis, Symrise primarily uses the higher volume alpha-pinene to create fragrant molecules such as dihydromyrcenol, linalool (Symrise is the only manufacturer that produces this from renewable sources), citronellol or geraniol.

Process Expertise
Richard Hastings has the chemical processes well in hand at the Symrise factory in Jacksonville, which covers approximately 50 hectares. The Plant Manager ensures continuous operation day and night of the distillation and extraction systems, one of which separates purified crude sulfate turpentine into its main components alpha-pinene and beta-pinene.

Know-how in Research
Gene Kolomeyer and his team are always working on new products and processes in the Symrise laboratories. The Head of Research and Development can draw on the company's extensive know-how.

» It is truly remarkable to see the processes that have developed here over the years. «

PETER ESSER Director of Production

Generating fragrant substances from the byproducts of paper production sounds like a small miracle. For Gene Kolomeyer, Head of Research and Development in Jacksonville, it is a simple process technology. The experienced chemist, who has been working at Symrise for 20 years, says this with a broad smile. He knows that it took decades for his predecessor and him to refine the processes to this point. He explains, "The basic material remains the same, with its ten carbon atoms. We just modify it and recompose it. That isn't magic – it just takes very detailed expertise regarding the various temperatures, pressures, volumes, process speeds and durations to produce the best results."

More Efficiency, More Sustainability

Peter Esser, who relocated to Jacksonville with the acquisition in early 2016, is focusing on process optimization. When he first came to visit the production site in sunny Florida, the Vice President of Global Chemical Production for Symrise plants in the USA, Mexico and Holzminden encountered a great deal of know-how and process-development experience here. "It is truly remarkable to see the processes that have developed here over the years. We are now putting our heads together to make production even more sustainable and efficient," Esser says.

For example, Symrise is investing in equipment automation. "By doing this we can check all the parameters in the process every few seconds and make immediate adjustments if necessary," Esser explains. Processes are being reviewed systematically and analytically. "We review catalysts, processing steps as well as process technologies so we can create our products in a more efficient and sustainable way. This starts with the fractionation of CST and is followed by the optimization of processes for individual products." Initial results of this systematic approach can already been seen, while other process optimization measures are part of the longer-term strategy.


symri

Product Diversity
The Symrise factory in Jacksonville also uses other raw materials in addition to crude sulfate turpentine, a by-product from the paper industry. For instance, L-carvone is produced from the natural substance D-limonene, which comes from the oil in orange peels. This product is used in oral care applications.

As well as using CST as a raw material, the team is also working on similar processes for other raw materials. Symrise uses the naturally occurring substance D-limonene, which comes from the oil extracted from orange peel in orange juice production, for example. "Again, in this case we use a substance that occurs as byproduct and was previously discarded as waste," Peter Esser explains. Symrise produces L-carvone from limonene using a patented green technology that is significantly environmentally friendlier than the traditional process for producing L-carvone. L-carvone is used in oral care applications together with anethole, sensory coolants that are also made by the company in Jacksonville.

Symrise Products Found Around the World

"These products perfectly complement Symrise menthol derivatives made in Bushy Park, South Carolina, and Holzminden, Germany, and make Symrise the number one industry supplier of oral care ingredients," Michael Klamm says, describing the importance of the portfolio. "We're also one of the biggest players in the industry when it comes to the production of scent molecules from CST." Klamm is in charge of global business support for the Aroma Molecules division and heads up the plants in Jacksonville and Colonels Island. He knows all the ins-and-outs of the market. "We supply all the large scent and flavor manufacturers as well as consumer packaged goods manufacturers. Our ingredients are often some of the most pronounced elements in our customer's scent and flavor compositions," Klamm says. He doesn't know exactly how many households our molecules provide with pleasant fragrances. "You can find our ingredients in many perfumes, home and laundry care, cosmetics as well as oral care applications. Our products are integral ingredients in well-known brands that play a big role in consumers' lives." A considerable portion of the products goes to other Symrise plants, where the molecules are used in fragrance and flavor compounds. "The purchase of Renessenz suits Symrise's portfolio perfectly," Klamm says. "Our product portfolio covers a wide variety of ingredients used by Symrise perfumers and flavorists." The production's sustainability also plays an important role for customers. "Products made from natural renewable feedstock, which are byproducts of other industries, have been the starting point of our production for over 100 years. We use natural resources and green chemistry," says Michael Klamm, "which is becoming more and more important to our customers, who are increasingly demanding sustainable products."

» We use natural resources and green chemistry. «

MICHAEL KLAMM Senior Vice President and General Manager

For the Environment. For Safety.

The predecessor company to Renessenz and Symrise was established in Jacksonville in 1910. It manufactured resin originally used in the naval industry for sealing wooden boat hulls. This led to more products being developed, and in the 1950s and 1960s the first substances for the fragrances and flavors industry came about. Using the raw material CST from the paper industry has been a challenge because even the slightest traces of the unpleasant sulfurous odor, which it emitted, can impact the environment and the neighborhood.

» Self-responsibility is part of our work culture and is vastly important in achieving our goals.«

BRIAN ZIELINSKI
Environmental Manager

1 million liters

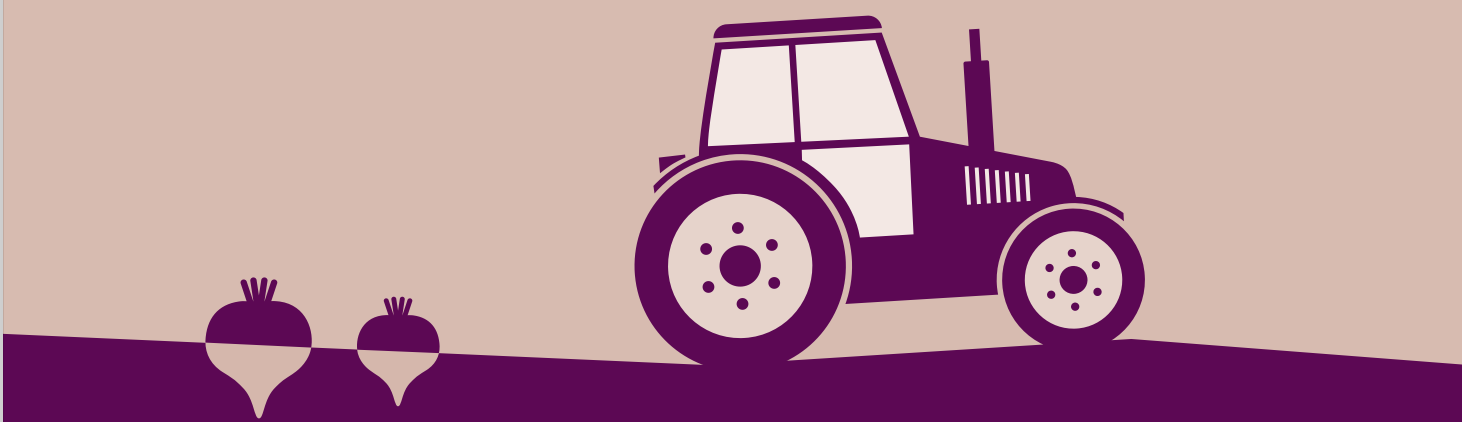
– the amount of wastewater avoided at the Jacksonville factory every day

“Constant process and handling improvements are necessary to eliminate emissions and ultimately the effect on the environment and neighbors,” says Corporate Compliance Director Brenda Murray. “Over the years we have installed sophisticated filters and tanks, optimized internal transport routes and identified potential leaks to prevent odor from escaping.” A whole range of certificates prove its efficacy – and above all, the employees are cued to watch out for any irregularities that could occur in production.
“This self-responsibility is part of our work culture and is vastly important in achieving our goals,” adds her colleague Brian Zielinski, who works as an Environmental Manager at the Jacksonville site.

Preventing accidents in the workplace is just as important. According to health and safety manager, Bert Long, a broadly implemented program has increased awareness of this topic. “We record even minor unsafe situations and potential dangers.” This has led to a safety culture where everyone looks out for each other.
Brian Zielinski demonstrates how environmental awareness and business success go hand in hand. Since 2015, Symrise has cut the wastewater produced at the Jacksonville plant on a daily basis by more than half – that’s around one million liters. This is the result of a sustainability project that took the entire system back to the drawing board. “We switched off a large number of pumps that were not needed for every task. They had previously run continuously and used water that we are now saving.”

Partnership for Outstand-ing Products

Farmers in northern France are growing red beets by the truckload. Diana Food uses them as color and flavor-providing ingredients in foods. The raw materials are high quality and sustainably produced. A close and trusting cooperation with suppliers makes this possible.



More than **30** farmers and cooperatives from northern France grow red beets for Symrise. This allows us to keep transport routes as short as possible.

The light pink color of some yogurts, the light red hue in some ice creams and baked goods and the deep, nearly violet red in various varieties of sweets and desserts rarely comes from the main ingredients in these foods. The reason is that little color remains from the fruit and vegetables after industrial processing. Food manufacturers therefore use food coloring, and they are increasingly creating these from natural sources. Diana Food offers a broad range of these natural colorings for various shades of red – for instance, from purple carrots, berries and especially red beets. “We use these plants because their powerful color pigments can be easily processed during production and are well suited for our applications,” says Laurette Gratteau in praise of beets, which are also used to add flavor to soups and stews. One number highlights this fact: “We process more than 30,000 tons of red beets into powders and fluid concentrates each year,” says the agronomist.

»The longest path from the field to the factory takes perhaps three or four hours.«

LAURETTE GRATTEAU Agronomist

Local Sourcing: A Pillar of Sustainability

The biologist, who worked in research and development before coming to Diana, is very familiar with this raw material, which the company sources from over 30 farmers and cooperatives in northern France. “The longest path from the field to the factory takes perhaps three or four hours. This regional growing lowers transport costs and also keeps CO_2 emissions to a minimum.” Laurette Gratteau visits the fields, which comprise 500 hectares or more, as often as possible. She keeps in close contact with the producers – some of whom have been supplying Diana Food for more than 15 years. “We have a very close partnership that allows for both sides to be clear about what they need and want.” The farmers are well informed on how to grow beets. The agronomists at Diana Food advise them, for instance, during the planting season and the harvesting period. They also collect samples and pass on the results of their research, ensuring that during production the vegetable can be processed with maximum efficiency and the highest yield.

At the same time, with its regular visits and audits Diana ensures that the principles of the Sustainable Agriculture Initiative are complied with – an initiative that has been joined by more than 80 companies in the food industry. The company also monitors soil quality and the use and selection of fertilizers and pesticides to ensure a sustainably grown raw material as the final product.

Developing Better Cultivation Methods

But sustainability is not just about quality control. Laurette Gratteau knows all about the challenges that can arise in the fields – and works with her team to tackle these. “We had a few farmers, whose lands experienced a fungal attack that reduced the beet harvest from about 80 tons to somewhere between ten and 20 tons per hectare while also affecting their color.” The producers, who were longstanding Diana suppliers, were worried, she recalls. Instead of dropping the suppliers, she immersed herself in the topic to help them find a solution. “There was no existing antidote that we could use in this case. Instead, we had to start experimenting with cultivation methods to ensure that the infection didn’t spread to the other fields,” explains Laurette Gratteau. She also involved external experts on the case, and the costs were split between the farmer and Diana.

The team advised using various watering volumes and schedules, changing the fertilizer and plowing the fields at different times. The project is still ongoing, but they have already seen progress. “We are satisfied with the insights and should be able to avoid similar cases in the future,” says the agronomist, who has four knowledgeable colleagues assisting her. The experiences will also be shared with other farmers and will be further studied by Diana’s own research and development team. “Through our commitment, we are creating added value for our suppliers and for ourselves. We can achieve top product quality while ensuring its availability in the future.”

500 hectares or more – the total area of the fields where vegetables are grown.

30,000 tons – the volume of red beets purchased and processed by Diana Food each year.

How is Symrise "diversifying success and successfully diversifying"?

Symrise has set itself some ambitious goals in terms of business development. The company aims to continue growing faster than the market and to do so profitably. To get there, the company is pursuing a strategy based on three pillars: growing the Group, increasing its efficiency and expanding the portfolio intelligently, as Chief Executive Officer Dr. Heinz-Jürgen Bertram explains in this interview. This can only be achieved if Symrise breaks new ground in the right areas.

Dr. Heinz-Jürgen Bertram
Dr. Heinz-Jürgen Bertram has a PhD in chemistry and has been working at the company since 1990, when he joined the research department at Haarmann & Reimer. Since the IPO in 2006, Heinz-Jürgen Bertram has been a member of the Executive Board. Initially he was responsible for Flavor & Nutrition. He was appointed Chief Executive Officer in August 2009, and his contract has again been prematurely extended to 2022.

Dr. Bertram, Symrise grew sales to € 2.9 billion and EBITDAN was improved to € 625 million in 2016. Once again, the company has grown well above the market average. What does Symrise do differently from its competitors to achieve this level of success?

We developed a three-pillar strategy in 2009, which we've been consistently pursuing and further developing ever since. The focus is on three areas: growth, efficiency and portfolio. We approach these areas individually while always taking into account how they work in harmony with each other. At the same time, whenever it comes to making a decision, we think about how to distinguish ourselves from the competition through special concepts, acquisitions and innovations, which means we also explore diverse areas outside of the classic fragrance and flavor market.

Let's take a moment to talk about growth. How does Symrise position itself in this area?

Over the past six years, we've grown approximately twice as fast as the rest of our market. It's only by operating on different levels that we're able to achieve this. To begin with, organic growth is important to us, and takes the form of expanding and, in part, redefining our traditional business units through innovation and new products. One example of this – and there are many – is the Fragrances division, in which we're currently repositioning ourselves. We utilize our traditional strengths in the development of new fragrances, draw on our extensive product base and, at the same time, promote the use of sustainable raw materials. As part of our efforts to optimize the company structure in 2016, we subdivided the Fragrances division into four global business units: Fine Fragrances, Personal Care, Home Care and Oral Care.

You can't achieve your goals through organic growth alone. What other areas are you looking at?

While we are focusing on organic growth, we've also carried out important, transformational acquisitions over the years – purchases that have significantly changed our portfolio and our structure. With the acquisition of Diana, our product range has entered a whole new dimension. We're now involved in the pet food market and have significantly expanded in the area of nutrition. Here we also see an example of how, in addition to growth, we've successfully pursued another pillar of our strategy – portfolio. With Diana, we've perfectly implemented the idea of expanding our portfolio into other areas. We now generate around a third of our sales outside the classic areas of flavors and fragrances.

In 2016, Symrise acquired Renessenz as part of Pinova Holdings. The US-based company manufactures substances for fragrances and oral care products as well as ingredients for foods and beverages. How is integration coming along?

Renessenz has already been fully integrated into the Symrise Aroma Molecules division of the Scent & Care segment. With these steps, we've further boosted our ingredient portfolio. As in many other business units, we concentrate on solutions based on renewable materials, and the company is a powerful partner in this respect. Clearly defining the portfolio also meant reselling the technical applications we'd acquired through the acquisition that did not belong to our core business. We will continue to collaborate with the new owners and supply each other with strategically important raw materials, among other things.

2020

– the year by which all strategically important raw materials will be sustainably generated.

In recent years you've said that you want to grow in emerging markets in particular. How have you achieved that thus far?

In 2016 we achieved growth of 15 % in this area. Over the medium term, we want to secure a share of sales of over 50 %. We're working at full speed on innovations for these regions and further developing our infrastructure on a continuous basis. In early summer 2017, we'll be inaugurating our new development center in Singapore, which is an important hub for Southeast Asia. We'll be kicking off construction of another site in China, and we established our own company in Iran last year. In this way, we're taking advantage of the growth opportunities available to us in these emerging regions.

Let's take a look at the third strategy pillar – efficiency. Have you been able to increase this as well?

We've become more and more efficient over the past few years. We've enhanced the value chain with several programs in our divisions by improving procedures, optimizing supply chains and thoroughly examining our factories, down to the smallest processes. In research, we're more and more intensively utilizing technology platforms throughout the entire company for various materials and the products created from them. At the same time, we're now gaining access to early development stages in our customers' innovation processes much more often, which is also good for our business. We're also constantly optimizing our raw materials portfolio in terms of sustainable sourcing.

» We aim to create innovative solutions that respond to needs that have arisen in nutrition, health and well-being.

In our journey to meet this goal, we always keep future generations in mind, from prioritizing social responsibility to creating technologies fit for the future and using processes that save and conserve resources.

With passion and drive, our employees live the Symrise promise of ›always inspiring more…‹ every single day. In this way, everyone at Symrise plays a role in sustainably developing both our company and the world around them. «

10 Years of Symrise Share

December 11, 2006

The Symrise share was traded for the first time on the Frankfurter Wertpapierbörse (the Frankfurt Stock Exchange).

€ 17.25

The share was issued at the higher end of the price range between € 15.75 and € 17.75. Symrise has sold a total 81 million securities. With a total amount issued of around € 1.4 billion, the IPO was the largest in Europe in 2006.

March 19, 2007

Just about three months after the IPO, Symrise was admitted to the MDAX®. The company is now one of the top 15 in terms of stock exchange value in this index.

Since the first full fiscal year of 2007, earnings per share have more than doubled from

€ 0.82 to € 2.05

€ 1.2 billion

€ 2.9 billion

Despite the economic and financial crisis, sales have been increasing steadily since 2006. The EBITDA and net income have also more than doubled.

December 11, 2016

The value of the share had more than tripled to € 57.79 since it was issued ten years prior.

Sustainability is a huge issue for Symrise across all areas. What do you do differently in this area that allows you to do so well in a highly competitive environment?

A good example is our raw materials supply. If we're successful here, it benefits the environment, society and us as a company. One of our biggest goals is to have all of our strategically important raw materials generated sustainably by 2020. We'll be pursuing several approaches to achieve this, including monitoring the cultivation and processing of important raw materials. In this way, we can ensure the availability of high-quality materials as well as guarantee sustainable cultivation.

Can you name a few examples?

We're often involved directly in regions from which we source our raw materials, including Madagascar for vanilla, the Amazon region for fragrances, Ecuador for bananas and Germany for onions – and we're constantly expanding this principle. We also think it's important to dedicate ourselves to protecting the environment and, in particular, maintaining biodiversity at all our sites and those of our suppliers. It's only by preserving nature's diversity that the world can maintain its balance – and it goes without saying that we, our customers and consumers benefit from nature's bounty, including its countless fragrances and flavors.

IPO as the First Step Toward Success

Symrise went public on the Frankfurt Wertpapierbörse on December 11, 2006, with an issue price of € 17.25. The company had nearly 5,000 employees at that time and achieved sales of approximately € 1.2 billion. Symrise had been established in February 2003, three and a half years prior, through the merger of Holzminden-based companies Haarmann & Reimer and Dragoco, which had been fierce competitors. This union resulted in the world's fourth-largest manufacturer of flavors and fragrances, with a market share of nearly 10 %.

Where do you see Symrise in the years to come?

Having promptly established ourselves as a leading company in the industry over the past seven years, our goal can only be to consolidate and expand this position. This, of course, conforms to our focus on growth. We want to achieve this not by being hasty but instead by implementing a well-thought-out and, more importantly, sustainable strategy. One aspect of this is our desire to make our many different areas of expertise much more interconnected, which promotes synergies. We can address brand-new customer groups with the new products that come from these connections. And that makes it all the more important for us to allow our researchers and developers plenty of scope for innovation. More and more often, innovations these days are based on methods of green chemistry and biotechnology in product development. At the same time, research needs to be perfectly aligned with the markets, which we can ensure through tight-knit networking within the company along the entire value chain – and this is where we come full circle. These days, innovations primarily occur because we know the customers and consumers so well. This is where Symrise excels.

In 2016 you celebrated the anniversary of the IPO, which took place in 2006. How would you evaluate these past ten years?

As a success story. As a company we've done excellent work as well as made exceptional use of the financial market instruments. In this way, we've managed to more than double our sales, profit and net income during this period as well as increase the company value, which has also benefited our shareholders. Rather than resting on our laurels, this success has encouraged us to continue along our sustainable journey.

Every-thing's Bananas!

Diana Food produces high-quality fruit and vegetable powders, flakes and purees in Ecuador. Acquired in 2013, this Ecuadorian banana facility expanded Diana Food's capabilities with a strong emphasis on sustainability from the plantation to production – sustainability for the environment, the people and the communities in the region. The site offers a secure and traceable source of raw materials, transformed into valuable natural clean-label products available for sale around the world.

There's a sweet and fruity smell in the warehouse, salsa music playing on a large stereo. The workers take bananas from a rattling conveyor belt with moves they've practiced thousands of times. They tear open the peel, remove the fruit and place it back on the upper belt. On and on it goes, at a rhythm in which the roughly 35 women process more than three dozen fruits a minute. All of it by hand, of course. If they were peeled by machine, the natural latex in the peels, which can function as an allergen, would end up in the fruit pulp and make it darker.
The large, light-flooded room is one of the centerpieces of the Ecuadorian facility, where 375 men and women work around the clock six days a week to process the valuable and vitamin-rich fruit. Here, in the Pasaje community in the southwest of the country, purees, flakes and powders are made from bananas as well as mangoes, pineapples and pumpkins. The products are found around the globe in the highest quality in baby food, cereals, cakes, baked goods, breads, ice cream, smoothies or sports nutrition. Diana Food purchased the global market leader in banana flakes in order to integrate this important raw material and its processing into its own value chain.

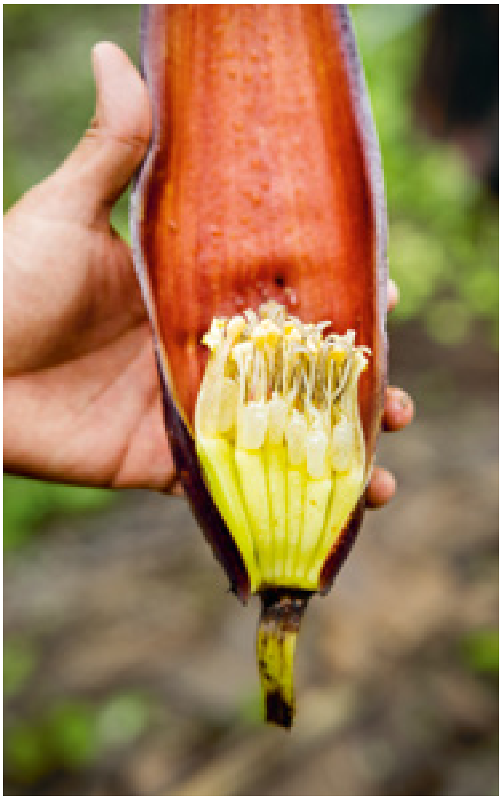
Working by Hand for Maximum Quality
Each banana processed at the Diana Food factory in Ecuador passes through the hands of the employees, who ensure top quality by peeling the fruit manually. They process three dozen sweet bananas per minute, which are then used to produce purees, flakes and powder.

25 %

of the bananas processed by Diana Food in Ecuador are organic, the rest come from conventional agriculture.

Bananas as Far as the Eye Can See

There are around 4,500 banana plantations in El Oro. The Diana Food factory is located at the heart of the region, so the bananas never have far to travel. The farmers look after and harvest their plants throughout the year, ensuring the supply of raw materials at all times.



»The banana is a lady. She doesn't like having wet feet.«

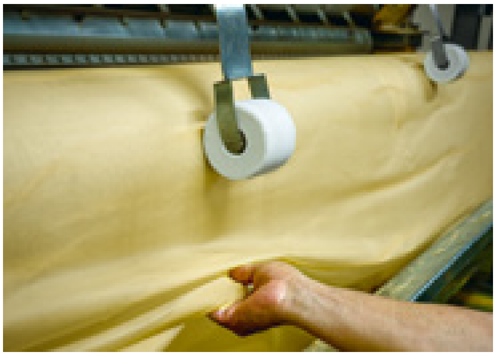
HECTOR BONNARD Agronomist at Diana Food

Growing Trend Toward Organic Banana

Every single banana that the company, founded in 1961, processes comes from one of the plantations within a 60-kilometer radius of its location. About 25 % are organic – with that number quickly growing. The rest are grown under conventional agricultural practices. One of the organic farmers is Gary Mendieta, who runs one of his three comparably small farms in the mountains. Up to 1,500 plants grow on each of the eight hectares. He and his team of five are always busy. They cut off the plants' large excess leaves, keep the ground cleared, protect the seed heads of the three- or four-meter-high plants with plastic bags that let in light and air but keep out insects and birds. Each plant location has two to three harvests a year. "We cut off the plant that bore fruit. Its daughter is growing next to it, and right here the granddaughter, which forms the next generation," Mendieta explains.

A worker carefully cuts down the plant when the fruit is still green. A second catches the shoot, which can weigh up to 50 kilograms, on a piece of hard foam and carries it on their shoulder to the collection point. Here the fruits are washed and sorted. With a trained eye, a worker sorts out the bananas that don't have the desired curve, size or that have spots. That applies to about 10 %. "Exporters to the fresh market want perfectly formed fruit," said Hector Bonnard. "We only take those bananas for our site in Pasaje that aren't suited for the fresh fruit market." The agronomist has been working for Diana Food for two years. He and his colleagues visit the plantations every two weeks, advise the farmers and make sure that everything – from planting to fertilizing and weed and pest control all the way through to the harvesting and sorting of fruit – is done according to the company's standards. In addition to supplying enough nutrients, irrigation also plays an important role. "The banana is a lady. She doesn't like having wet feet," Bonnard explains with a smile. That's why water supply and drainage systems have to work perfectly.

The agricultural experts at Diana Food have a lot of experience in the industry. "And we have a very good relationship based on trust with the farmers," says Bonnard. "At the same time, we set high standards and keep documentation so that we can trace the raw materials back to the plantation at any time."



Once the bananas have been processed into a fine paste free of germs and foreign bodies, they're dehydrated and treated at high heat in six drum dryers. The dry product, which has an intensive banana flavor, is then processed into flakes. Another application is the purified puree, which is used in baby food, for instance.

Quality Checks at Every Step

Dozens of trucks loaded with green bananas arrive at Pasaje every day. After weighing, a visual inspection takes place. "We are constantly monitoring the quality," says Francisco Larrea, who has led the company for 18 years. "After unloading, the bananas are put into airtight storage and complete their maturation to reach their perfect sweet taste." After peeling – the peels are composted – the fruits go through a variety of processes. A large machine mashes them into a fine paste, which is then filtered once more and heated. Through the process of vacuum evaporation, a highly concentrated banana essence is formed.

In yet another process, the larger portion of this mash is further dehydrated and treated at high heat in six drum dryers. This pulp only has a small amount of residual moisture and is pressed through two rolls. The result looks like edible paper, is dry and warm and has an intense taste of fresh bananas. The final step: Meter-long knives cut the paper down to the desired size for flakes or powder. "The process has to be right at every step," says Larrea, under whose leadership the number of employees has almost quadrupled. The company wants to invest in new workspaces for the drum dryers and in laboratory equipment in order to maintain the excellence of this pure natural product. The end products made in this factory are used in tons of applications all over the world. "The majority of our purees and flakes are used for baby food," Larrea explains. "We can guarantee top quality and excellent food safety because we perform strict testing for bacteria and exercise tight controls when it comes to cleanliness and foreign particles."

A Focus on Employees

"Sustainability in production is equally important to us," says Larrea. "We were the first company with an environmental license in the El Oro province." The site is a member of the SEDEX (Supplier Ethical Data Exchange) online platform for ethically and socially sustainable manufacturers. Part of this is that Diana Food places a particular emphasis on its employee's well-being at work. For example, they receive free meals in the cafeteria, are provided with work clothing and transport services to get to work. The company also provides health care. Men and women receive regular check-ups and medication, are vaccinated against yellow fever and can go to a clinic when there's a serious problem. "This offer is provided for the entire family", says Shirley Sanchez. "Family is one of the most important pillars of life for us here in Ecuador. That is why we strategically include families so that our employees feel comfortable and take care of themselves," the company doctor explains.

The company also provides a lot of consideration for employees who are limited in what they can do. Older employees are given easier tasks. Shirley Sanchez points to a pregnant woman. “For mothers, who are often very young, we adjust their working hours so that they are home enough – the women are often the sole providers in the family.” “We are a very committed team,” the HR Manager Chanena Matamoros confirms. “At the same time, solidarity among employees is also high, which we support.” For example, employees often collect money for their colleagues if someone is sick. Diana Food also supports this sense of community with a microloan system. Every worker can pay in and save money – and can also take out three times their savings as a loan.

» The solidarity among employees is high. We support that. «

CHANENA MATAMOROS HR Manager

The company is also involved in the communities around the plant, donates candy for children's events and sponsors bands for a music festival or trophies for soccer tournaments. A large sum went into the renovation of the municipal park. “We try to build up a good relationship with the communities,” says Matamoros. “That also makes us attractive as an employer,” Larrea adds. “That is extremely important for us, so we can find educated, motivated and reliable employees.”

More Than an Economic Factor

Ecuador offers the ideal conditions for growing bananas. The soil quality is excellent; it has a tropical climate but is not affected by hurricanes, and the rainy season is relatively short. One plus of these environmental conditions is that less pesticides and fertilizers have to be used for farming. This naturally also encourages the spread of organic farming practices. This has helped make the country the fourth-largest banana producer and largest banana exporter in the world. The industry belongs to the biggest employers in this country, which lies in the northwest of South America between Colombia and Peru. Almost one million people work on roughly 220,000 hectares of plantations, especially in the three western provinces of Los Rios, Guayas and El Oro – the latter of which has the most plantations with a staggering 4,500. This is also where Diana Food has the Pasaje factory. The country exports about 90 % of the bananas it produces, especially to Europe and the USA.

JOSÉ SANTILLÁN
is the Head of Environmental and Occupational Safety at Diana Food.

» Achieving the highest occupational safety possible in our factory is one of our main goals. I spend the whole day, from Monday to Friday, going through the factory to see where there could be risks. That allows us to recognize and repair weaknesses immediately. We also train our employees, provide safety clothing for them and make sure that it is worn. By doing so, we've ensured that there hasn't been a single major accident in the past years. «

HARRY VEINTIMILLA
is the President of Ecosfera, a regional environmental consulting firm.

» Since 2009, as a consulting company certified by the country of Ecuador, we have been working with Diana Food to make the entire production more sustainable. We started with a major study to measure noise emissions, for example, as well as the quality of the wastewater and air. Based on that, we advise the facility on how the company can better achieve its environmental goals. A company is awarded our environmental seal if 50 % of our standards are adhered to – Diana Food is at 90 %, making it one of the top 10 companies in the region. «

IVANOVA SÁNCHEZ
is a food engineer and works as a Quality Assistant at Diana Food. She won the talent show that the company hosts for its employees.

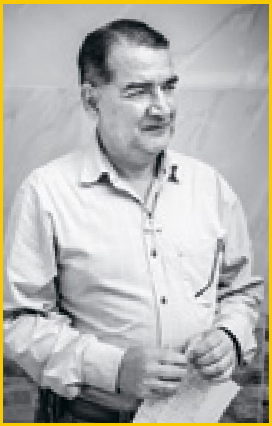
» Our production has many certificates, for example, BRC. It attests to the fact that we have a working management system in food safety. My job, among other things, is to make sure we adhere to the standards with our products here in the laboratory. To do so, we perform checks of the purees and flakes regularly. «

TALIA NAVARRETE is a member of the local council in Pasaje.

» Diana Food makes an important contribution to our community at numerous levels. The company put the town and the region on the map for this industry – bananas are the most important source of income and a company like this helps us be strong economically. It also ensures that reliable work is available and is a stable partner, especially in times when our economy is being rocked by crises. And finally, the company is involved in our schools and the infrastructure, which we, as a community, are very happy about. «

NEIRA LAPO CÉSAR STALIN enters lists of raw materials into the computer. He is one of about 4 % of the employees at Pasaje site who have a disability.

» I have been deaf since birth, but I can read lips and communicate with my colleagues. We have a great team in which everyone looks out for one another. I enjoy my job because I like working at a computer. This was a great opportunity for me, because it was very difficult for me, as someone with deafness, to find a job. «



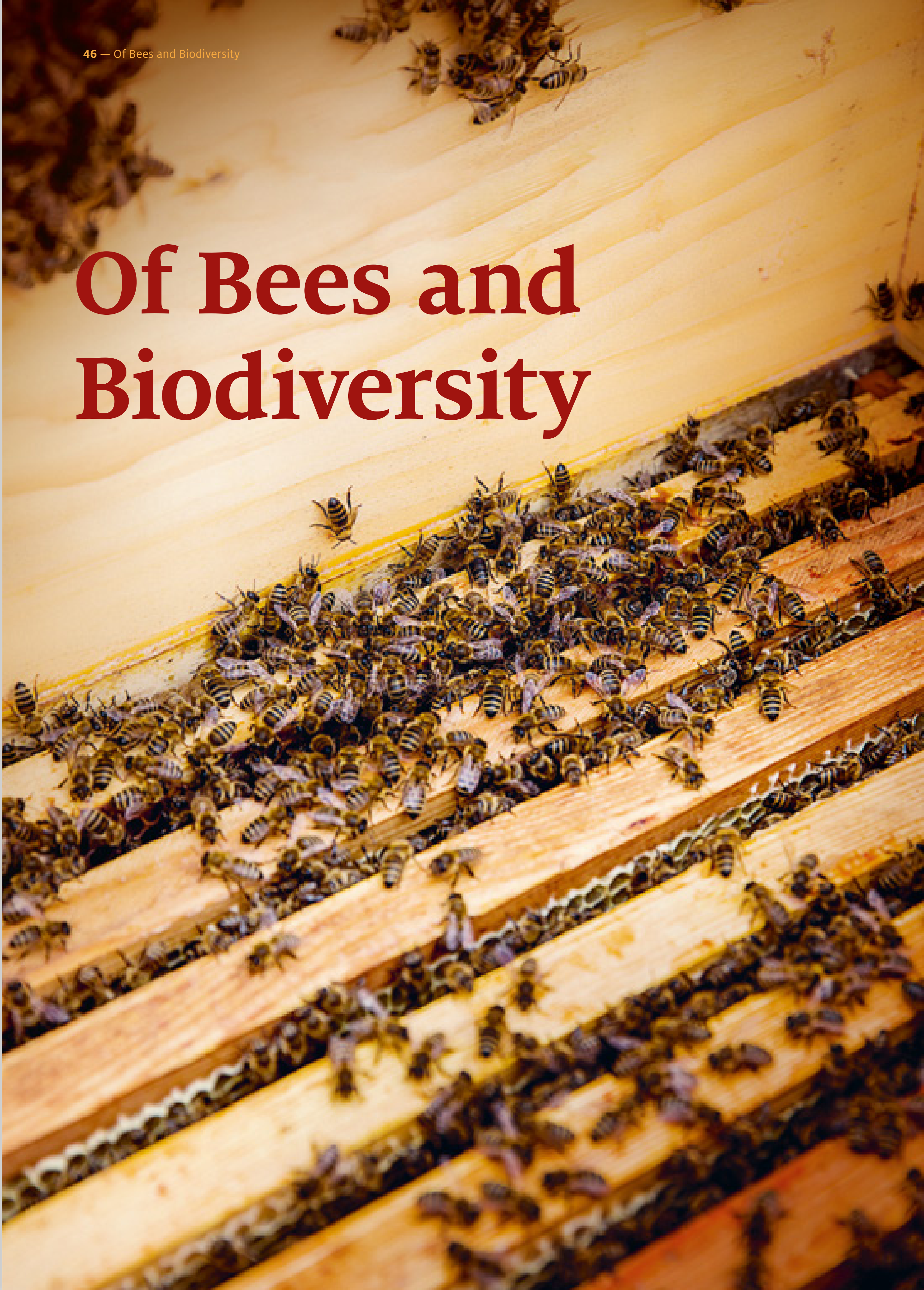
GIOVANNI NAVAS runs the "Divina Misericordia Albergue," a home for people living with disability.

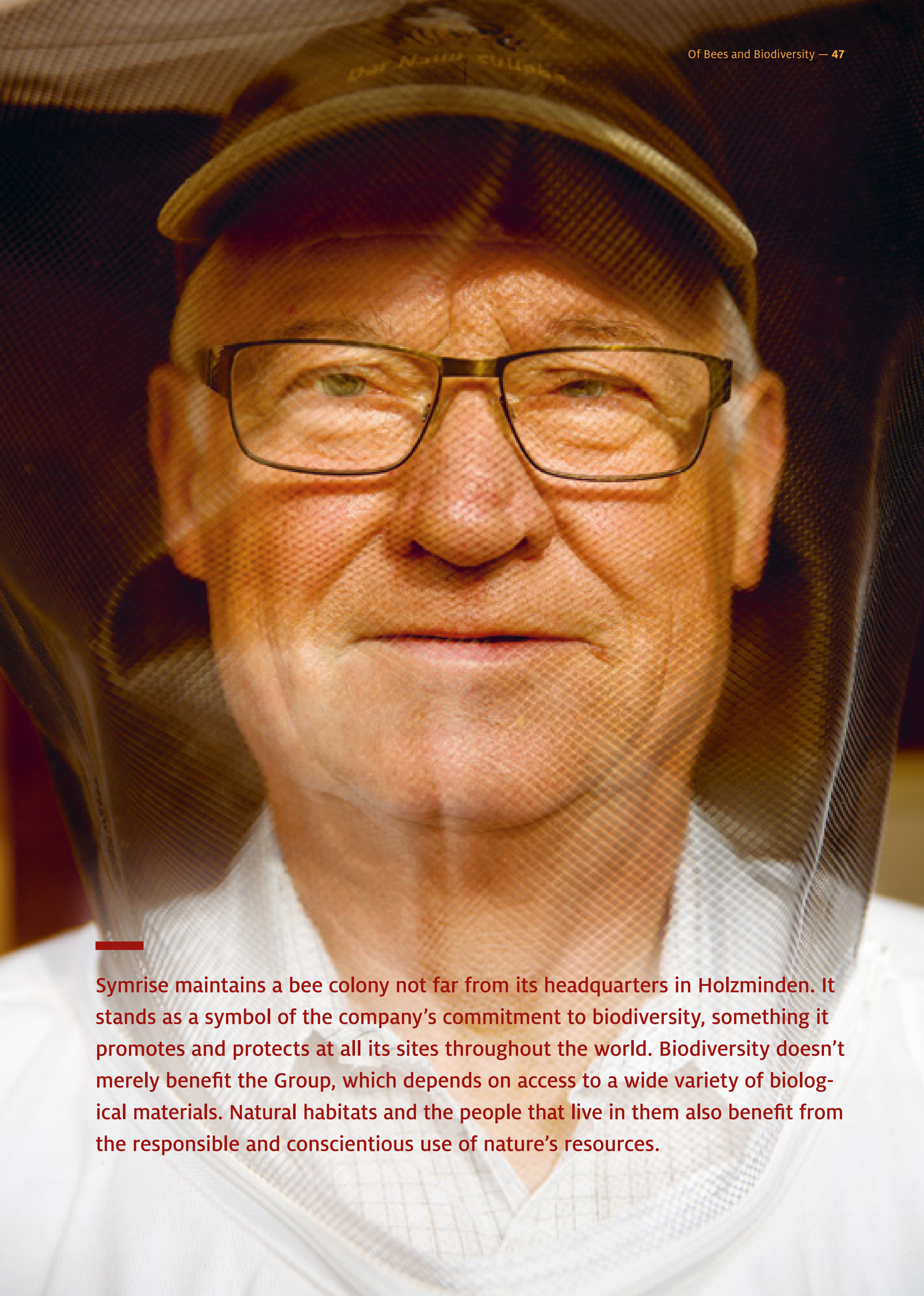
» There is no public system in Ecuador that supports people with mental illness who are stranded. As a result, our shelter relies on donations. Symrise let its employees decide which project its donations should benefit. We received € 6,000. We were able to buy a number of hospital beds and a new washing machine, which we would not have been able to afford otherwise. «

SANDRA ESTUPIÑAN works at Diana Food as a banana peeler.

» I've had the same job here for 14 years. I work four days a week for twelve hours each day. And even though it's tough and sometimes a bit monotonous, I am really happy. Our group sticks together; some of us take turns being in charge. I've done that a number of times. And above all, working here is a secure job. We get paid on time and there are a lot of positive things, like the free meals in the cafeteria or the health care. «

Of Bees and Biodiversity





Symrise maintains a bee colony not far from its headquarters in Holzminden. It stands as a symbol of the company's commitment to biodiversity, something it promotes and protects at all its sites throughout the world. Biodiversity doesn't merely benefit the Group, which depends on access to a wide variety of biological materials. Natural habitats and the people that live in them also benefit from the responsible and conscientious use of nature's resources.

Huge Plans
The beekeeper Werner Borgolte (left) looks after the beehives in the former community garden on behalf of Symrise. Additional projects, including research and development, will be carried out at the company-owned property in the future. Factory managers Susanne Ellerbrock and Carsten Schacht, who are responsible for properties among other things at Symrise, have documented and analyzed the premises.

100

Symrise employees leased the gardens following the Second World War.

As Werner Borgolte opens the wooden crate, only two or three bees are visible. “You little guys are still tired, aren’t you?” says the 75-year-old with a gentle voice. He examines the beehive from all sides and secures a small dispenser to the top. The inconspicuous plastic bottle is incredibly important for the bee colony. “It provides as much formic acid as is needed to kill off the varroa mite,” says the hobby beekeeper. “The parasite was brought over from Asia. When it gets into a colony, it literally sucks the blood out of the bees.” Speaking of the bees, they are becoming more active now. A few dozen are now buzzing around Borgolte. He reaches for his Rauchboy smoker, a silver canister with a brown bellows. The short puffs of smoke have a mellowing effect on the bees. “I’ve been stung before, but it doesn’t happen as often as you’d think.”

It is a warm fall day. Werner Borgolte’s three beehives are kept at a former community garden at the edge of Holzminden. The retiree, who works for a few hours per week at the company-owned property, has already collected all of this year’s honey. The apple trees and blackberry and raspberry bushes have been bare for weeks, and the wild grasses and weeds show a slight droop as winter approaches.

Werner Borgolte is now preparing the hives for the cold season, so the colony can once again pollinate the nearby rapeseed fields and orchards in the coming year.

A Symbol of Biodiversity

Beekeeping is a small project for Symrise when compared to building a new production plant or developing a new, innovative product. But the project is meant to grow. The gardens, which were leased by about 100 employees after the Second World War for growing food, are being examined for their plant diversity. In the future fruits, vegetables and herbs will be grown here, which Symrise can use in research and development or for demonstration purposes. Likewise, the industrious pollinators in the colorful garden are also a symbol of how Symrise is actively committed to biodiversity. The company has similar projects running at sites in France and the US. Crucial for humankind, biodiversity is in peril. “We have some big challenges ahead,” says Hans Holger Gliewe, Chief Sustainability Officer at Symrise. “Compared to normal evolutionary conditions, species extinction has accelerated by a factor of 1,000.” One reason for this is that biodiversity was a long-overlooked topic in contrast to other sustainability objectives. “This is due in part to the complexity of the topic,” explains Gliewe. “It concerns the diversity of the gene pool, of species and ecosystems as well as ecological benefits and functions that are not easy to understand – and they are connected in intricate ways.”

Broad awareness for the topic developed toward the end of the 2000s. A series of international studies by the German government and the United Nations showed that the focus shouldn’t just be on nature, but also on its economic importance. “Pollination by bees has an economic impact of about € 150 billion per year worldwide,” says Hans Holger Gliewe.

»Pollination by bees has an economic impact of about € 150 billion per year worldwide.«

HANS HOLGER GLIEWE Chief Sustainability Officer at Symrise

86%

of the main suppliers based on procurement volume are rated according to sustainability criteria.

Raw Materials Around the World
Seeds from Brazil, vanilla from Madagascar, bananas from Ecuador: Symrise sources its most important raw materials from all continents. And the company doesn't just purchase fruits, vegetables, nuts and herbs from growers or through large-scale wholesale traders but more and more frequently also uses backward integration for raw materials in its own value chain.

Our Own Biodiversity Agenda

As an initial reaction to the impending loss of diversity, Symrise commissioned a biodiversity check together with the international foundation Global Nature Fund in 2010. The goal was to evaluate the impact of declining biodiversity on the company with a focus on strategically important raw materials. "Our more than 10,000 raw materials come from all over the world. We depend on nature more than most companies," explains Gliewe. The result of the check was clear. "Without a precise analysis of our strategic supply chain and adaptations to make it more sustainable, we would see a strong impact from the decline in biodiversity." Together with the Global Nature Fund and the nonprofit organization Union for Ethical BioTrade (UEBT), Symrise developed a biodiversity agenda. It has a major influence on the Group's strategic actions – for instance, when it comes to acquiring other companies or optimizing processes. "The protection and sustainable use of biodiversity is at the top of the agenda together with the careful selection and production of raw materials," says Hans Holger Gliewe. "Similarly, the people that live in the regions in question should be fairly involved in the value creation process. We want to create incentives for preserving species and ecosystems."

Protecting Endangered Species Starts With Purchasing
Another area that plays an important role is purchasing. The company uses backward integration for key raw materials in its own value chain and improves conditions with the growers. Some examples include Symrise's activities in Ecuador (see page 36), Madagascar (see page 54) and the Amazon region in Brazil, where the company had several dozen raw materials certified by the UEBT and developed social projects for the farmers.

Symrise has also defined a Group-wide goal. The company wants to purchase 100 % of its key raw materials from sources that use sustainable practices by 2020. "This includes materials like onions, vanilla or citrus products that are major purchase items and represent the lion's share of our natural raw materials ," says Mark Birch, Director of Purchasing Sustainability at Symrise. Also important for the company are raw materials used in smaller volumes in strategically important products or specialty materials that are needed for certain customers.

To carry out these sustainability activities in the best possible manner, Symrise joined the Sustainable Agriculture Initiative (SAI) Platform, among others organizations. 90 of the world's most important food manufacturers and suppliers have joined this platform. "Together, we want to support sustainable agriculture. The farmers we work with should fulfill certain criteria regarding water and land use, fertilization and pest control," explains Birch, a relative newcomer to Symrise who spent the previous 29 years at a food corporation where he was responsible for sustainable sourcing and supplier development, among other things. Furthermore, the harvests and therefore the prosperity and security of the farmers and workers should increase around the world. "Sustainability always includes social components."

»The protection and sustainable use of biodiversity is at the top of the agenda together with the careful selection and production of raw materials.«

HANS HOLGER GLIEWE Chief Sustainability Officer at Symrise

»We're looking for partners who share our ideas about sustainability.«

MARK BIRCH Director of Purchasing Sustainability at Symrise

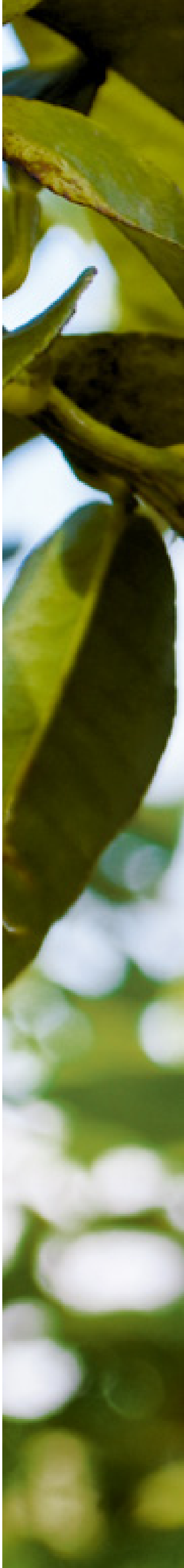
Sustainable Purchasing
Mark Birch has ambitious goals: Working with his colleagues, the Director of Purchasing Sustainability at Symrise wants to ensure that the company obtains 100 % of its most important raw materials from sustainable sources by 2020. And he can draw on plenty of experience. Birch was responsible for sustainable purchasing, among other things, at a large food corporation for 29 years.

Strict Standards for Agriculture

The SAI developed criteria based on sustainable agricultural practices and an easy-to-use evaluation tool, the "Farm Sustainability Assessment." It allows the companies involved to directly compare suppliers all the way down to the individual growers in a simple and independent way. Furthermore, farmers who have already been verified are listed with their products in the database. "This creates a network of sustainable growers that the members of the platform can work with."

Here in Germany, Symrise used the Farm Sustainability Assessment with its onion farmers, for instance. "We looked at production and farming practices together and then collected the data." The company is using this approach for assessing and qualifying the sustainability of raw materials. This method also satisfies the sustainable agriculture requirements of key customers, such as food corporations that buy onion juice concentrate. Symrise intentionally placed responsibility for this with the Purchasing team. "Those who work with the suppliers on a daily basis have the best overview," says Birch, who is also responsible for purchasing tea at Symrise.

Whether it will ever be possible to purchase all raw materials according to these strict standards is a difficult question according to Birch. Of the roughly 10,000 materials, many of them are bought in very small quantities – such as certain nuts, barks or herbs. Some raw materials are harvested in forests, collected by cooperatives and then sold to Symrise in very small volumes (ten to 50 kilograms per year) via a network of traders. "In such cases, we have limited leverage," says Birch. "We do, however, try to partner with like-minded organizations that share our sustainability ideals. In doing so, we pave the way for an increasingly responsible handling of biodiversity and our natural resources."



Sustainability From the Start

Bergamot represents one example of the company's commitment to biodiversity and sustainable purchasing. The citrus plant is grown in the Calabria region of Southern Italy. Its oils are used in perfumes and give Earl Grey tea its distinct citrus note. Symrise cooperates closely with the company Capua 1880, which has been producing bergamot oils for five generations. The family-owned company processes more than half of the entire harvest in the region, which accounts for four-fifths of global production.

Other partners include the University of Calabria, the Unionberg Association and the Union for Ethical BioTrade (UEBT). Together, they invest in research and development regarding issues like the more efficient use of production by products – such as flavors from the previously unused juice and the oils in the fruit rinds, which can be extracted via innovative technologies. Furthermore, Symrise and its network partners in Calabria are working with 500 growers in the region to make their farming more sustainable.

An important component of their commitment is the protection of biodiversity. The parties develop standards for procuring and using raw materials in a way that promotes local diversity. For example, bergamot is grown relatively close to the Mediterranean and Ionian coasts. Symrise and its partners want to find out what impact this has on the local marine life. This allows them to protect living beings on land and in the sea.

New Raw Materials and Products Sourced from Nature's Diversity

Symrise has been sourcing its vanilla directly from growers in Madagascar since 2004, and is committed to supporting the farmers there. The Group improves the living conditions for the growers and their families by investing in their education and financial security as well as in sustainable agricultural practices. This also includes promoting the cultivation of other raw materials.

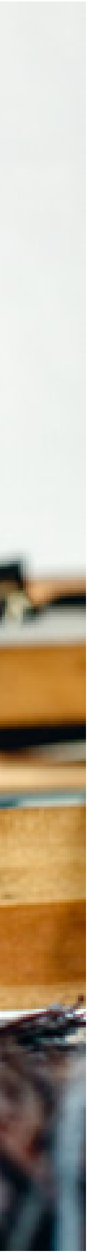
The equipment appears unspectacular at first glance: Fed by wood, a fire burns in the one-meter-tall brick fireplace, heating the water in the pot above it. Cinnamon bark is cooking inside as its volatile essential oils are separated from the liquid by the rising steam and fed through a pipe into a container as condensation. Once the distillate is finished, the product is filtered and can then be used. Symrise presented four of these simple but efficient systems to various villages in Madagascar in 2016.

The investment has had a huge impact and is a win-win situation: "Vanilla farmers can create additional products like this cinnamon oil with these distillations. That makes them less dependent on vanilla cultivation and so allows them to improve their livelihood," says Dr. Benoît Join, who is responsible for innovations in the Oral Care business unit and Natural Raw Materials. "And we can draw on a broader range of raw materials by sourcing other essential oils from Madagascar."

Working Together to Ensure Better Living Conditions for Vanilla Farmers

In collaboration with the Unilever food corporation and the state-run German Society for International Cooperation (GIZ), Symrise has been supporting vanilla farmers in Madagascar since 2013. A new partner will be joining us at the beginning of 2017: The Save the Children organization, which has been fighting for children's rights and protection around the world for more than 90 years. The joint initiative should reach 50,000 people in 10,000 households in more than 70 villages, of which some 70 % live below the poverty line and with highly unstable income.

Funded by the develoPPP.de program of the German Federal Ministry for Economic Cooperation and Development (BMZ), the initiative will improve the economic base for families, education for children and environmental protection over the next three years. Only then can the cycle of poverty that has affected families for generations be broken.



The four systems are part of Symrise's numerous initiatives on the island. Many steps later, the purchase of vanilla has given way to a comprehensive strategy that ensures the company a sustainably cultivated, high-quality raw material that can be traced at all times. At the same time, Symrise has had a positive impact on the entire value chain and thereby on many aspects of the living conditions for the farmers in Madagascar.

Commitment to the Farmers and Their Families

More than 30,000 people in 90 villages now benefit from the various measures initiated, financed and promoted by Symrise – either alone or in collaboration with partners such as the Unilever food corporation and the German Society for International Cooperation (GIZ). There's a whole host of examples of social, environmental, economic and educational projects. For instance, Symrise distributed 250,000 seedlings to farmers to ensure that they and their families have enough to eat. The company also distributed 234 tons of rice, which is the most important food staple in Madagascar. More than 10,000 people also enjoy the benefits of health insurance, which the Group initiated and supports financially.

Symrise organizes and finances training courses for farmers in order to familiarize them with sustainable cultivation methods and thus to preserve nature, as well as with tree nurseries to ensure the supply of vanilla alternatives. To improve education for children, the company supports 76 elementary schools and three schools with a focus on agriculture. And finally, the company has designed its own factory in Madagascar to be as sustainable as possible: The wastewater is biologically purified, while biomass – sourced from the trees planted by the company – is used to generate steam.

The new products fit in with this strategy. They're grown locally and processed directly by the farmers using the distillation systems, which a team of Symrise engineers has thoroughly examined. "This allows us to avoid the transport of raw goods, which has two benefits: The quality of the materials is maintained and we reduce CO_2 emissions by moving only a fraction of the mass from one place to another," says Benoît Join.

These products offer maximum diversity and top quality. They're generated – and this is new – in various regions of the island, which have very different microclimates and thus growing conditions. In the region where vanilla primarily grows, for example, the farmers now also grow vetiver. The robust, sweet grass is used to distill an intensively woody and earthy-smelling oil for perfumes. "We're now looking for even more farmers who can produce that for us," explains Benoît Join. The benefits for the farmers are significant: "Vetiver grows without requiring much time and effort from the growers and, with its deep roots, it holds the soil in place, thus preventing erosion and helping to maintain habitats." And its deep roots also make it more difficult to steal – theft of the vanilla harvest is always a problem.

Approximately

30,000

people in Madagascar benefit from Symrise's activities.

The Range of Raw Materials Is Ever Expanding

Additional raw materials flow into a Symrise collection launched in the fragrances segment and going by the brand name 'Millesime'. The French term represents a special year, such as in the context of Champagnes and wines, for instance. Products include the two Madagascar classics Vanilla Gold Extract and Vanilla Caviar Absolute. "But we're also expanding the range of raw materials somewhat to include ginger, cinnamon and geranium," explains Benoît Join.

» We're expanding the range of raw materials to include ginger, cinnamon and geranium.«

BENOÎT JOIN Responsible for innovations in the Oral Care business unit and natural raw materials

Cinnamon bark
Only the best bark is used for the best oil.

Ginger
Aromatic essential oils are extracted from the rhizome of the plant.

Geranium
The essential oil is derived from the leaves of the pelargonium plant.

The company uses cinnamon bark to create Golden Cinnamon, an oil incorporated into oral care products. "Until now, products like these have often been extracted from the entire plant, which is much cheaper," says Join. But that also means lower quality. Undesired byproducts can also be avoided. "We've found a vanilla farmer in Madagascar who can extract premium-quality vanilla from just the bark using one of the distillation systems."

When it comes to ginger, Symrise works with an NGO. In the future, this collaboration should resemble the model with the farmers in the vanilla region. "We promote local manufacturing and want to support health care and drinking water projects and ensure eco-friendly cultivation," explains Join. The distillation activities there are part of a farmers' cooperative, from which Symrise purchases the raw material, which is sold on the market as Grand Cru Ginger.

The geranium also takes the form of an essential oil. Extracted from the leaves of the pelargonium plant, the raw material is replacing another product in the extensive Symrise range, as it offers purer quality. "While we already had a functioning material, we can now sell a much cleaner version with better fragrance characteristics," says Join. Symrise is working with a plantation near the capital city of Antananarivo that manufactures a certified organic product.

All of the innovations were either developed or thoroughly tested in the company's Research and Development department. "In some cases, it takes a very long time to achieve the maximum quality that is also reproducible," says Benoît Join, explaining the time and effort required. "We're on a very good course with the oils that we've already made available – and with the whole range of sustainably manufactured products from Madagascar, which will be launched in the fragrances segment in the years to come." The initial commercial profits in the Fine Fragrances business unit round off the success for Madagascar, Symrise and our customers.

Dr. Heinz-Jürgen Bertram (standing, 8th from the right), CEO of Symrise, visited the project during his travels through Asia.

WASH in School

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1,500

schoolchildren in Sholinganallur, India (Tamil Nadu), now have access to clean drinking water and sanitary facilities.

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As a key step in their growth strategy, Symrise is developing its market position in emerging markets. In this way the company is having an effect on the dynamic growth of these areas. Simultaneously, the Group is taking on social responsibility by investing in infrastructure and preventative health care.

India is a good example of this. The country has one of the fastest growing economies in the world, and yet millions of schoolchildren in India still lack access to clean drinking water and sanitary facilities. In order to do its part to change this, Symrise has taken action at a school in Sholinganallur, located near the Symrise subsidiary in Chennai. Together with UNICEF and the city of Chennai, Symrise supported the project "WASH in School." The program finances sanitary facilities, washing stations and sewage systems. The outcome: "1,500 schoolchildren now have access to improved sanitary facilities," says Dr. Heinz-Jürgen Bertram, who visited the project during his trip to Asia in September 2016. The CEO of Symrise emphasized another advantage of the program. "In addition to investing in the infrastructure, embracing sustainability also includes advising on all aspects of hygiene." Bertram explains that the students can apply what they've learned at home and pass knowledge on to their parents and siblings. "In this way, we're creating momentum that supports India's vision of becoming a cleaner country by 2018."

Fragrances for the World

For those who wear them, perfumes are more than just a fine fragrance. They arouse emotions, provide stylish accents and can round out personality. Symrise is constantly working to further enhance this experience. As one way to do this, the company has repositioned its perfume creation unit in the Fragrances division.

“We exist to deliver better living through scent.” This is the core message meant to convey three important points. First, the company is using its own origins as a starting point. Under the heading “Centuries of fragrance mastery,” Symrise is looking back at its founders and their successors. Over 220 years ago they began developing a rich tradition of excellent fragrance creations. These include the De Laire bases, which acted as the foundation for luxury perfumery and influenced many of the world’s legendary fragrances.

“A dedicated way – collaboration to create” is the second piece of Symrise’s fragrance DNA. The company’s perfumers are constantly in contact with each other, as well as other experts like artists, master chefs and researchers to develop the best possible fragrance concepts. There is also a cooperation and mentoring program as well as the Symrise Perfumery School.

The third aspect supplements the repositioning. “Pleasure with purpose” is at the forefront of Symrise’s work. Here, the Group has developed the industry’s most comprehensive and diverse range of aromatic substances – many of which are increasingly becoming sustainable. Symrise focuses on innovation and backward integration that stretches all the way back to the cultivation of the original plants. Now, three employees from the hundreds in this division explain how Symrise has succeeded in translating these messages into innovative, creative and emotional products.

»With fragrant ingredients, I can create something that people wear every day that reflects their moods.«

Alexandra Carlin

As an 18-year-old, I studied literature and wanted to become a writer or journalist. But, one day, I heard an interview with a perfumer on the radio that forever changed my life. The man spoke so passionately about his work and the creativity it offers him that I instantly fell in love with the occupation. I started to study natural sciences, working my way through chemistry, physics and mathematics. Later, I studied at the renowned perfumery school ISIPCA in Paris and started working as a junior perfumer at Symrise ten years ago.

Today, my dreams have become a reality. Similar to the literary career I initially envisioned, I can bring my imagination to life within fragrances. With fragrant ingredients, I can create something that people wear every day that reflects their moods and, hopefully, positively enhances them.

I gather inspiration for my work from various sources – like art, literature, films, dance, anything which gives an emotion. Also very important, and something I find particularly motivating about Symrise, is the open exchange of ideas with colleagues. I can discuss and share ideas with the roughly 70 perfumers working around the world and collaborate with them on projects. Add in the researchers with whom we develop new aromatic substances or our colleagues from flavors who work with similar materials, yet often from completely different angles, and you have an excellent environment for developing innovative ideas. Perfumers are also very involved in the development of our wonderful naturals from Madagascar since we made a scent expedition there. The job is great because it is so diverse. And it almost seems as though I was destined for Symrise. For many years, I was able to work with the Master Perfumer Maurice Roucel in New York – and I eventually found out that he was the man from the radio interview who inspired me all those years ago.

Alexandra Carlin is a perfumer at Symrise in Paris.

»Through a part-time job, I wound up in fragrances 37 years ago and have been here ever since.«

David Apel

The chemist George De Laire pioneered the bases named after him in the 1870s. These bases are elegant mixtures of fragrance molecules, and these particular ones have been the signature of many world-renowned perfumes throughout the years. Mr. De Laire also worked with the founders of Symrise's predecessor company Haarmann & Reimer. The unique combinations rely on three main components. These include the captive aromatic substances that give a fragrance its unmistakable character, exquisite raw materials and, naturally, the skillful arrangement of these materials.

A few years ago, we made it our task to refresh this heritage and adapt it to the esthetics and needs of today's customers. Here, we assessed and analyzed about 700 bases that we have in our archives. We then applied this knowledge to new bases. Along the way, we put a focus on using renewable and previously overlooked raw materials to create exclusive, sustainable and timeless mixtures.

Working on this has been particularly exciting and satisfying for me. Even as a young man, I wanted to work in environmental protection and studied environmental chemistry. Through a part-time job, I wound up in fragrances 37 years ago and have been here ever since. But it wasn't purely coincidental – I have always been intrigued by the materials, the molecules, oils and resins. Today, I can optimally combine all of my interests. This unique part of our company's history that we are currently reinvigorating connects creativity and sustainable raw materials with the inspiring craftsmanship of a perfumer.

David Apel is a Senior Perfumer for Symrise in New York.

Anne Cabotin

I never leave my home without a dash of perfume – it expresses how I feel. This relationship to perfume probably has its origins in my childhood. My mother would leave her scarf with me whenever she would go out for an evening, and it smelled of her perfume. For me, it was a token that made the short separation more bearable.

Alongside the emotional connection, sustainability has become another aspect of fragrances that I am passionate about. Our planet has only a limited availability of many things, and this is especially true of the raw materials we use in our creations. We can only secure access to these diverse materials for future generations if the delicate ecosystems that support them continue to function. As a mother of two girls and a boy, I often think about sustainability simply out of my own personal interests.

At Symrise, we are designing processes to be as sustainable as possible, this is our commitment towards a better environmental footprint. Regarding enhancing People's livelihoods, we foster close cooperation with nongovernmental organizations and sourcing communities on the ground. At the same time, we are working closely with our customers on this topic, such as with Unilever in Madagascar. We also developed a sustainability agenda, which we are implementing throughout our global company via ambassadors.

For instance, we are developing new fragrance molecules that have a stronger effectiveness while using less raw materials. These are also increasingly coming from renewable sources. Furthermore, we have made it a top priority to protect biodiversity as we search for unique materials in places rich with natural treasures, like Madagascar, Ecuador or Brazil.

Anne Cabotin works in Paris as the Vice President Global Account Director and is responsible for the key account Unilever.

»We developed a sustainability agenda, which we are implementing throughout our global company via ambassadors.«

Social Petwork

Diana Pet Food acquired a stake in the social network Yummypets in 2016. More than 400,000 people have created profiles on the platform for their dogs, cats and other pets. The company uses the resulting "big data" in collaboration with pet food companies and for marketing.

Lyra, the Czechoslovakian Wolfdog, had quite a delightful day in the park today. Patate, a white short-haired cat, is looking sharp in some new close-up shots. And Caramelle, the white-brown bunny can be seen happily hopping on several photos. These three are some of the stars on the internet portal Yummypets, where over 400,000 pets have profiles – particularly cats and dogs. Their owners comment on each other's photos or gain interesting health, lifestyle and training insights from the online magazine section. The site receives over six million visits and 50 million clicks per year.

Great Potential for Diana Pet Food

That sounds interesting, and it is – not just for the private users. Bertrand de Launay first heard about the social network in 2015. "We instantly saw the potential in it and how it could benefit us," recalls the President of Diana Pet Food. One year later, the company, which develops and manufactures ingredients for pet foods with its 800 employees worldwide, bought a stake in the start-up that Yummypets had developed.

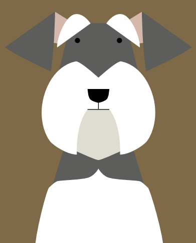
De Launay describes the reasoning behind the investment with a popular buzzword: big data. Users provide large amounts of data that Diana Pet Food can evaluate. That begins with the most popular pet-related websites that the owners like, the number, age and type of pets they own as well as the playing and eating habits of their furry friends. Brand preferences, along with survey responses, forum entries and comments, also provide valuable information. "Yummypets can use about 25 different parameters. We analyze and pool the information to learn the behavior of pet owners and can use this to improve our offers."

Analyzing and Using Data

Yummypets anonymizes and clusters the results into profiles, which can be passed onto pet food manufacturers for their market research efforts. "We can also use the data in a very targeted way by helping our customers find the right pet owners for product testing, for instance." Another use case applies to companies outside of the pet food industry: "Health insurers can market their products to dog owners whose pet has recently turned seven years old – as this is often when immunizations are renewed," says Bertrand De Launay. "Another idea we have is to cooperate with cities that want to make their own internet offers. Our data would let them get to know this target group better."

> **» Users provide large amounts of data that Diana Pet Food can evaluate. «**
>
> **BERTRAND DE LAUNAY** President of Diana Pet Food

The investment in Yummypets therefore represents a promising business model, especially when you look at this constantly growing target group, which has about 680 million dogs and cats as pets worldwide. Millennials, or people between the ages of 18 and 33 years old, have a particular affinity for pets and for social media. It is therefore no surprise that De Launay sees a rosy future for Yummypets. He also has big plans. At the moment, the community primarily consists of French-speaking members, but soon the site will be expanded to include English and Spanish-speaking users. There are no limits to what it can do, says Bertrand de Launay. "We are confident that Yummypets with a several millions dogs and cats living panel will offer us major competitive advantages."



»We've dedicated ourselves to achieving the vision of being an ›Employer of Choice‹ around the world, with employees who enjoy their work and tend to stick around.«

Approximately 5,400 employees – which is 80 % of staff – took part in the large-scale Symrise employee engagement survey in 2016. That alone is a huge success, according to Dr. Iñigo Natzel. But it's not only the participation quota that's impressive, says the Head of Human Resources. In the interview he explains how this type of survey, with all its positive and negative feedback, helps Symrise to further develop as a preferred employer.

5,400

Symrise employees in Brazil, Chile, China, UK, France, Germany, India, Mexico, Singapore and the USA took part in the survey. Employees of Diana, which has been part of the Group since 2015, participated for the first time.

Mr. Natzel, four out of five employees took part in the employee engagement survey. Why do you think the response was so high?

To start with, we've again managed to increase the participation quota by four percentage points to 80 % compared to 2012 – at a point in time when our company is growing at a fast pace. That tells me that the employee engagement survey was well received. It has established itself as a platform for a dialogue between the company and its employees. At the same time, we've been able to explain and demonstrate to our colleagues over the years that we take their answers seriously. We've dedicated ourselves to achieving the vision of being an 'Employer of Choice' around the world – in other words, a company where people enjoy working and pursue a longer career simply because the conditions are ideal for them. We want to set ourselves apart from other companies and motivate our employees.

What were the general findings of the survey?

95 % would accept their job at Symrise again, which says a lot. What we find particularly positive is the fact that employees have a great deal of trust in Symrise's competitiveness and future prospects. 90 % are satisfied or even very and extremely satisfied, which in part is due to the acquisitions and innovations that the company has achieved over the years.

Are you surprised by this positive response?

No, I wouldn't say I'm surprised. I'm very satisfied that we're able to demonstrate to our employees just how well positioned our company is. At the same time, my colleagues and I in the international Human Resources team see plenty of motivation among the teams on a daily basis, so you could almost say I was expecting it. This dedication is also expressed in another figure – we reached an Employee Commitment Index (MCI) score of 67.

For Dr. Iñigo Natzel, the employee engagement survey is an exceptional tool for becoming a preferred employer.

95%

of employees are so satisfied that they would accept a job offer from Symrise again.

And what does that mean?

The index shows how committed and loyal employees are to Symrise. Here, too, we improved by four points compared to 2012. We use a standardized test method to measure employee commitment. It's about loyalty, the relationship with the company, job satisfaction and motivation, which we measure for instance with the following questions: How satisfied am I with my work situation? Would I recommend Symrise as an employer? How strongly do I identify with the company and its goals? How do I perceive motivation among my colleagues? How do I view Symrise's current and future competitive position? How strong is my trust in the company's leadership? We use a statistical method to evaluate the answers. Our score of 67 places us in the top 30% of companies around the world – and in Mexico, where we achieved an index score of 79, we're even in the top 10%.

What have you learned from the surveys?

First of all, we think it's wonderful that our Group functions as a whole – after all, we're active in a lot of different countries with wide-ranging cultural diversity. But there's a lot that we have in common, which is how we're able to develop a global agenda. While it takes differences into account, the agenda also ensures that we're able to develop into a preferred employer around the world through many similar measures. It was the corporate strategy, the work environment, the varied range of interesting tasks and the high degree of freedom to make decisions in particular that employees rated positively in the survey. We're also very good in comparison to other companies. That makes us proud and simplifies our work, as we have a valid foundation of figures on which we can further develop.

Where do you see need for improvement?

Interestingly, competitiveness and future prospects were rated as very good in some countries and not so good in others. In those areas, we need to make much more of an effort to demonstrate how good we are – after all, only a successful company can also retain the best employees. Another issue is, for instance, the work environment, which incidentally has nothing to do with whether general satisfaction is high or low. Each area now needs to analyze itself based on the results and, as part of our "Lean & Efficiency" initiative, make an effort to reduce workloads by making work processes more efficient – for instance, with optimized software support.

How about the communication inside the company, for instance?

It's extremely important, particularly from the bottom up. The employees want their suggestions to be taken seriously. We need to create the technical framework that will make this possible and, at the same time, train managers accordingly. Often mentioned in the survey, career planning has been one of our areas of focus for some time now with the career@symrise portal, which is where development plans can be found. Here, too, it's all about encouraging employees, HR staff and managers to work closely together. At nearly all the sites, we see fair and differentiated remuneration based on performance as the area requiring the most attention. We need to come up with some solutions – and it often has nothing to do with how high the income is but rather the transparency in comparison to others. And we've observed this phenomenon throughout the Group.

How do you want to implement the findings in everyday operations?

We'll continue to evaluate the results and then break them down according to countries, divisions and teams. At the same time, our HR officers are working with managers locally to evaluate the results of their areas, so that the latter can then analyze strengths and weaknesses with their employees and develop concrete goals and plans. It goes without saying that we need to stay the course and, despite the overall positive results, cannot rest on our laurels. Our managers will play a particularly important role. They need to optimize their management skills and communication with the employees, thus ensuring a loyal and motivated staff for the future.

»90 % of employees have a great deal of trust in Symrise's competitiveness and future prospects.«

Symrise received two of the prestigious **Innovation Awards** at the 2016 Personal Care and Homecare Ingredients (PCHi) trade fair in Shanghai. The active ingredients SymCare® and SymMollient® W/S were both recognized with awards. SymCare® is a solution especially designed for sensitive-skin products. SymMollient® calms the skin.

The DQS – German Society for the Certification of Management Systems – honored Symrise with two **German Awards for Excellence**. Symrise received prizes in the Responsible Sourcing category and in the Life Cycle Assessment category for the eco-scorecard that it designed.

Awards 2016

The **Carbon Disclosure Project (CDP)** has confirmed Symrise's spot in its Climate A List. Of the thousands of companies worldwide that report their climate data to CDP, only 9 % make it into this top category. In addition, Symrise was recognized in the DACH region (Germany, Austria and Switzerland) as a leading company in the sector of energy and raw materials, as well as in the MDAX® with regard to the transparency of its climate activities and with regard to its goals, strategies and measures when it comes to combating climate change.

Symrise also counts as the only one among its peers of large flavor and fragrance companies that reports completely on the topics water and forest. In each of these categories, the company has received an A-rating, which puts it in a leading position in the industry.

At the **2016 German Sustainability Awards**, Symrise was named one of the five most sustainable large corporations in Germany. The panel particularly recognized Symrise's systematic sustainability management, its ongoing improvements to both the supply chain and its own operations as well as its measures to protect biodiversity.

The rating agency **EcoVadis** awarded Symrise the "Gold" status in recognition of its corporate social responsibility for the second time in a row. EcoVadis compares business performance in the areas of the environment, social aspects, ethics and sustainability in the supply chain.

The Flavor and Extract Manufacturers Association (FEMA) in the USA recognized one of Symrise's long-time research partners with a renowned scientific award: Prof. Dr. Veronika Somoza received the **US research award "Excellence in Flavor Science"** in October 2016. Ms. Samoza is Head of the Christian Doppler Laboratory for Bioactive Aroma Compounds in Vienna, which researches flavoring substances that influence the body's ability to absorb energy from food and provide a greater feeling of fullness. The laboratory is supported in part by Symrise.

The stock exchange Euronext and the rating agency Vigeo Eiris confirmed Symrise's inclusion in the **Euronext Vigeo index: Europe 120** in December 2016. This makes Symrise one of the 120 companies in Europe with the best achievements in the ESG area (Environmental, Social and Governance). The agency tests up to 330 indicators twice a year to measure the performance of European companies on environmental, social and governance factors.

Symrise makes the cut, gaining inclusion on the **ETHIBEL Sustainability Index (ESI) Excellence Europe**. This means Symrise counts as an industry leader for corporate social responsibility (CSR).

In the spring of 2016, the SymSlim® concept developed by Symrise was named to the finalists of the **"NutraIngredients Awards 2016"** in the category "Ingredients of the Year – Weight Management". SymSlim® comprises flavoring substances that generate a greater feeling of fullness when eating and thereby combat the growing problem of obesity. In long-term studies, SymSlim® positively influenced the weight and, in particular, the body fat ratios of participants.

From the Sustainability Record

Our sustainability reporting fulfills the Global Reporting Initiative (GRI) Guidelines as set out in the current version of the GRI Standards (2016). In doing so, we conform to the highest application level "In accordance – Comprehensive," which means that we fully account for all the essential topics. The following chapter describes which topics we define as essential and which approach to strategic sustainability we have adopted. All quantitative and qualitative information has been made available in our online sustainability record. All of the information located there has been subjected to an external audit in accordance with the AA1000 Assurance Standard. We also meet the requirements for a Communication on Progress within the framework of the UN Global Compact, the world's largest voluntary initiative on corporate responsibility.

All quantitative and
qualitative information on sustainability
has been made available at
cr2016.symrise.com/sustainability/sustainability-record

Highlights 2016

Forward-Looking Ambitions and Sustainable Success

CO_2-REDUCTION FROM 2010 TO 2016
in %

–35*

SHARE OF MAIN SUPPLIERS BASED ON PROCUREMENT VOLUME RATED ACCORDING TO SUSTAINABILITY CRITERIA
in %

86

COD **-REDUCTION FROM 2010 TO 2016
in %

–42*

REDUCTION IN SENSITIVE WASTE FROM 2010 TO 2016
in %

–35*

REDUCTION IN MAQ*** FROM 2013–2016
Target achievement in %

65

2016 AWARDS
See also “Highlights” (page 16/17) and “Awards” (page 70/71)

FTSE4Good

DQS Verified Report

DQS German Awards for Excellence

German Sustainability Award

Ethibel

EcoVadis

CDP rating “leadership” for climate, water, forests

* = Relative to the value created. Reductions 2010–2015 (without Diana) and reductions 2015–2016 (including Diana) cumulated. Further information on how this indicator was calculated and the data it is based on is available on our microsite

** = Chemical oxygen demand

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

Sustainable Added Value

Our corporate strategy is systematically oriented towards sustainable growth. For us, this includes the permanent and robust expansion of our business that considers ecological and social conditions, works towards increasingly efficient production and maintains a portfolio that helps meet the basic needs of a growing world population. To achieve this, we formulate goals along the entire value chain. For us it is clear that a broader view that transcends narrow corporate structures not only ensures growth and increases our efficiency, but also puts us in a position to further develop our portfolio of innovative and sustainable products. By continuing to dovetail financial and non-financial performance indicators, we seek to demonstrate even more clearly the business relevance of our sustainability management plan and, in doing so, deliver quantifiable added value for the environment and for society (see page 9).

From our point of view, the way our company grows and prospers is crucial. In a world that is becoming ever more interconnected, chasing profits in the short term is not an appropriate plan for those who wish to set the agenda with future-oriented business models. Therefore, we are constantly on the lookout for common ground and sound solutions where everyone – from the supplier of the raw materials to the consumer – is able to profit. With our pioneering work, for example in Madagascar (see page 54), we are creating new types of synergies between all stakeholders and, in the process, making an important contribution to achieving the United Nations sustainable development goals.

Looking to our core business, we have concentrated our ambitions for sustainability within the four pillars of our sustainability agenda: Footprint, Innovation, Sourcing and Care. This is how we closely link our economic goals to our everyday responsibility to the environment, employees and society. Only when our interactions with each other are rooted in integrity can we create lasting added value for all. In the long term, our values are paving the way for us to become the most successful company in our sector, and to inextricably fuse economic success, sustainable corporate governance and social acceptance.

Minimize our environmental footprint along the value chain

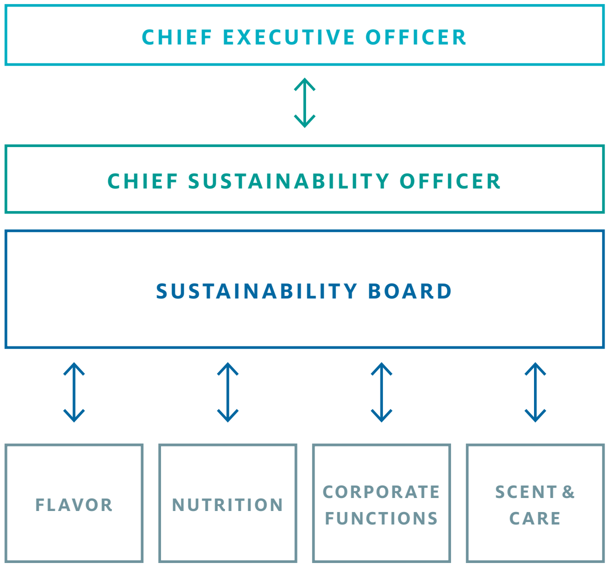
Maximize positive social & environmental impacts of our products

Maximize the sustainability of our supply chain and raw materials

Improve well-being in our stakeholder communities

Integrated Sustainability Management

Organization and Implementation
Back in 2009, we founded the Symrise Sustainability Board, a global, cross-divisional corporate body that aims to integrate the principles of sustainability more strongly into our core processes. Multiple times per year, representatives from management come together within this framework to ensure that sustainability-relevant topics and the concerns of our important stakeholder groups are considered along the entire value chain. In 2016, the Executive Board also created the position of Chief Sustainability Officer (CSO) in order to further advance the systematic integration of our sustainability principles. The CSO reports directly to the Chief Executive Officer and functions as the Director of the Sustainability Board.



The Sustainability Board sets sustainability objectives, which are then directly implemented in the respective divisions. This is why the Executive Board and the Sustainability Board have appointed officers who are responsible for sustainability in the Flavor, Nutrition and Scent & Care business segments, as well as one representative each from Human Resources, Finance/Investor Relations, and Corporate Communications. Direct responsibility for strategy lies with the Chief Executive Officer of Symrise AG, who receives regular reports on the progress of all sustainability activities.

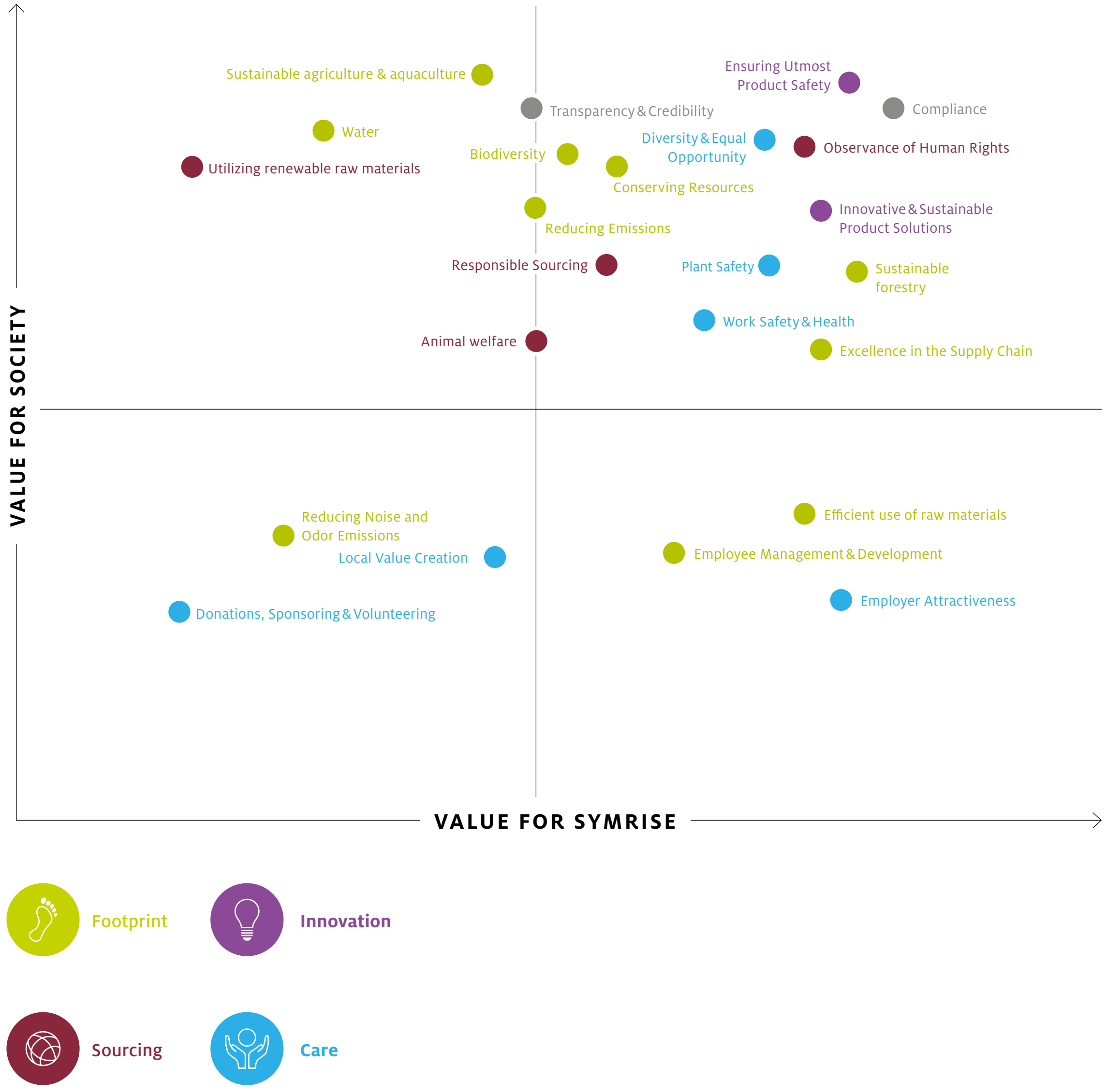
We manage sustainability in corporate processes using our Integrated Management System. It is based on the international standards on quality (ISO 9001), environmental protection (ISO 14001), work safety (OHSAS 18001), sustainability (ISO 26000), energy (ISO 50001), social responsibility (SA 8000), the generally accepted audit standards of the Global Food Safety Initiative (GFSI) and other recognized local standards.

Whatever their division, managers have a particularly important role to play in making the topic of sustainability operational in their teams and laying out clear goals. In 2013, we began to anchor our sustainability objectives in the individual performance targets of those managers directly involved. Since then, we have been pressing ahead with the setting of concrete sustainability objectives for all managers. To anchor these topics within the organization and in the minds of all of our employees, we regularly conduct activities such as our Symrise Sustainability Day at our sites. Here, we present practical examples demonstrating to our employees how sustainable development can be initiated and implemented in the various departments at Symrise.

Our Central Topics
In 2016, we continued taking a critical look at our most important topics. In addition to our strategic orientation, the identification of essential concerns also serves to structure our reporting in accordance with the Global Reporting Initiative Standards: We provide comprehensive reporting on topics that are important to Symrise and to society as a whole. We provide a report with at least one indicator on topics that have a high relevance in only one dimension. We provide comprehensive, transparent information on our sustainability activities and key figures in our online sustainability report: cr2016.symrise.com/sustainability/sustainability-record

The analysis of our central topics is based on our "Sharing Values" approach. We analyze sustainability aspects and spheres of activity, taking into account their "value for society" and "value for Symrise." This allows us to identify topics with the greatest potential for creating shared value. In the process, we expanded our business activities in

2016, and identified “sustainable forestry” as well as “sustainable agriculture and aquaculture” as areas where we can become more active. For the sake of effective management, we divided what was originally one combined topic, “resource conservation and emission reduction,” into two separate spheres of activity, and then singled out “water” as a stand-alone topic. In 2016, we were able to ascertain a higher social value to the company for compliance, transparency and credibility, as well as for occupational health and safety. Biodiversity and human rights have once again gained in significance for creating value at Symrise. As to the topic of renewable raw materials, we were able to significantly increase our share of renewable raw materials thanks to our acquisition of Diana and Renessenz, allowing us to now be able to approach this topic downstream.



Goals and management of material topics

TOPIC	GOAL
Ensuring utmost product safety	Maintaining the high level of product safety management
Innovative & sustainable product solutions	Tailor-made product solutions to meet the needs of today's and tomorrow's consumers
Facility safety	Maintaining the high level of the safety management system in the facilities
Diversity & equal opportunities	Increase the share of women working at Symrise to 40 % worldwide
Observance of human rights	Ensure good labor practices and social and fair working conditions along the value chain
Animal welfare	Implementation of an animal welfare program
Responsible sourcing	100 % of our main suppliers based on procurement volume rated according to sustainability criteria by 2020
Excellence in the supply chain	Continuous optimization of supply chain processes and timely delivery of products with accompanying documentation
Reducing emissions	Reduction of CO_2 emissions by 33 % by 2020 (compared to 2010) relative to the value created
Resource conservation	Efficient use of raw materials and reduction of sensitive waste and COD in wastewater by 33 % by 2020 compared to 2010 relative to the value created
Biodiversity	Implementation of the Symrise Biodiversity Agenda as well as the sustainability objectives from the Business & Biodiversity Pledge from the UN Convention on Biodiversity
Sustainable forestry	Maintaining forest ecosystems and gaining forestry raw materials and byproducts from sustainable sources
Occupational health and safety	A "zero-accident culture" and reducing accident frequency to MAQ < 2.0 by 2020
Transparency & credibility	Maintain and increase the confidence of all stakeholders
Compliance	Ensure that all Symrise locations are being audited according to applicable standards

You can find a detailed description of our management system, objectives and results, as well as how we contribute to the sustainable development goals, online at cr2016.symrise.com/sustainability/development-goals

MANAGEMENT METHOD	ADDRESSED SUSTAINABLE DEVELOPMENT GOAL	
Internal and external audits; safety certification	Zero hunger	Responsible consumption & production
Market research and trend research, inclusion of regulatory requirements, compliance	Good health & well-being	Responsible consumption & production
Internal and external audits including those conducted by government authorities; certification and inspections	Decent work & economic growth	Industry, in-novation & infrastructure
Manage talent and develop human resources, recruit staff	Gender equality	Decent work & economic growth
Internal and external audits and certification; rating suppliers (SEDEX)	Decent work & economic growth	
Qualification of suppliers, supplier ratings and audits, and traceability of suppliers	Zero hunger	Life below water
Rating and auditing suppliers; certification	Responsible consumption & production	Life on land
Continued development of the Symchronize initiative, Total Productive Maintenance (TPM)	Responsible consumption & production	
Further development and implementation of climate strategy, TPM	Responsible consumption & production	Climate action
Worldwide monitoring and implementation of appropriate measures, TPM, generating raw materials using the patented SymTrap® procedure	Responsible consumption & production	
Sustainable supply chain management, certification of raw materials, backward integration	Life below water	Life on land
Supply chain management, backward integration, certification of raw materials	Life on land	
Safety walk-arounds by management; 18001 OHSAS checks both internally and externally, ongoing training in matters of safety	Good health & well-being	Decent work & economic growth
Further develop the Integrated Management System (IMS), external certification	Peace, justice & strong institutions	
Internal and external audits; certification	Peace, justice & strong institutions	

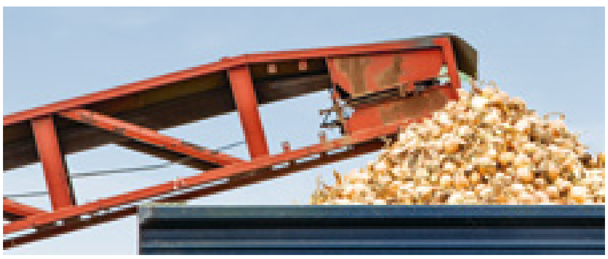
FOOTPRINT

In an effort to minimize our ecological footprint, we constantly optimize our entire value chain by looking at how to reduce emissions, conserve resources and maintain biodiversity. By doing so, we ensure that our business activities remain viable in the long term, reduce risks, and cut expenses.

We've set ourselves some ambitious goals for **reducing emissions**. By 2020, we want to reduce our direct and indirect greenhouse gas emissions by 4 % annually – pursuant to Scope 1 and Scope 2 of the GHG Protocol. Given our 5.4 % reduction in greenhouse gases in 2016, we are well on our way. In addition, we have been recording all essential emissions within the meaning of Scope 3 of the GHG Protocol since 2011. Of these, about 90 %, by far the largest share, can be traced back to upstream production of raw materials. As part of the Science Based Targets Initiative, we have committed ourselves to achieving the global objective of keeping global warming below 2 degrees Celsius over the long term. Every year, CDP, an independent initiative for investors, confirms our continuing progress in reducing emissions. For the second year in a row, we have received the best possible rating of "A" for the area of climate and, as such, have been added to the climate A list. This rating places us in the top 4 % of the best companies on the MDAX® and in the best 11 % in our sector. Accordingly, Symrise was honored by CDP as an Index/Country Leader ("MDAX®") as well as a Sector Leader ("Energy & Materials"). Our A- grade in the 2016 CDP Supplier Engagement Rating also placed us way ahead of the average grade of C-. The grade confirms our successful collaboration with our suppliers to reduce negative environmental effects in the supply chain. In addition, the A- rating in the CDP Ratings for Water and Forests reflects our role as a trailblazer in the area of conserving natural resources.

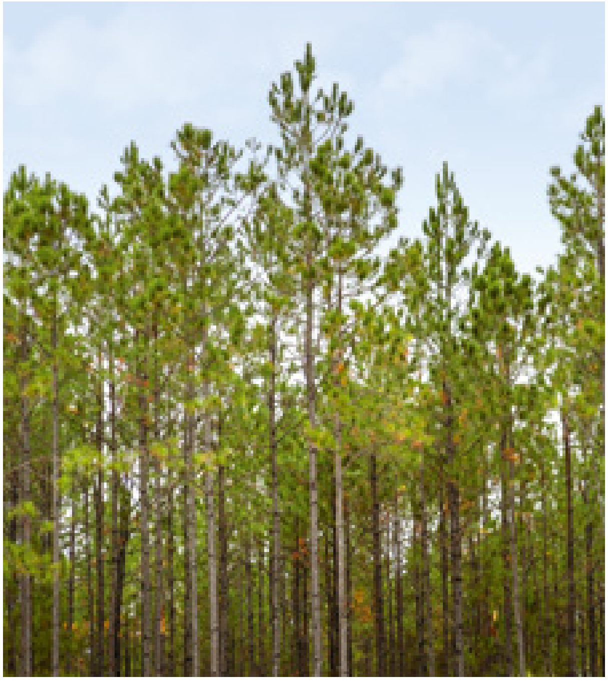
We see the effective **conservation of resources** as an important mechanism in terms of contributing to the sustainability and profitability of the company. By investing in efficient technologies and processes, we are able to reduce raw materials and save on the costs connected to them. One example of this is our patented SymTrap® process. This enables us to reclaim high-quality natural aromas from the byproducts that result from the processing of raw materials. Ever since we acquired Pinova Holdings in 2016, the topic of **sustainable forestry** has been gaining in significance for us. Analyses have demonstrated that a large share of the suppliers in question have already been certified in accordance with the criteria laid out by the Forest Stewardship Council (FSC) or the Sustainable Forest Initiative (SFI). By participating in the CDP Forest Program, we are also bringing transparency to our progress and our approaches in this matter. Our Symchronize™ initiative proves that conserving resources also means reducing costs. With the aim of **"Excellence in the Supply Chain"** we develop end-to-end supply chain solutions in order to identify starting points and potential reductions in our energy, water, and resource consumption, and implement these together with our partners in the supply chain.

Symrise views global biodiversity as an indispensable source of inspiration and natural raw materials from which we continuously create new aromas and fragrances. The protection of **biodiversity** is of paramount importance to Symrise. As one of the first signatories of the Business & Diversity Pledge in 2016, we have agreed to demonstrate our commitment in this field. As part of the UN Convention, this voluntary commitment testifies to Symrise's pledge to worldwide protection and sustainable use of biodiversity, as well as to equitable distribution of the benefits arising from using genetic resources (see page 54).



A Shining Example of Efficiency

Symrise sources onions, one of its primary raw materials, from contractual farmers in the region. Significantly lower transport costs and storage expenses save both money and energy. At the same time, the quality is optimized in close collaboration with farmers and research institutes. Nearly 100 % of the raw material is used.



For Environmentally Friendly Commerce

As part of the “commit to action” scheme from the CDP investor initiative, and “We mean Business,” Symrise has also committed itself to setting science-based climate objectives that are in harmony with the findings of the Paris Convention. The aim is to restrict global warming to substantially less than 2°C. Symrise is one of the first German companies that have committed themselves to this goal. In this program, we even include the emission-reducing activities of our suppliers.

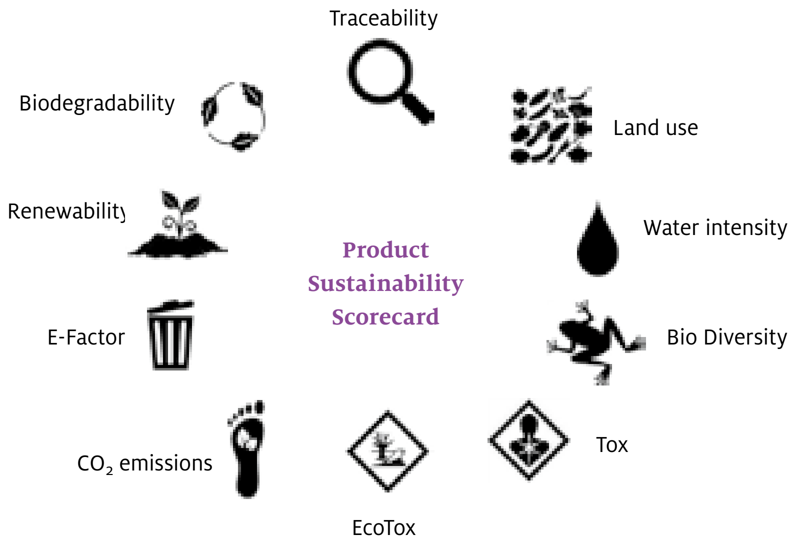
With the commissioning of our cogeneration power plant in summer 2016, we have already taken an important step in reducing our production-related emissions. As such, we are reducing our CO_2 emissions from energy production by 35 % annually.

INNOVATION

For Symrise, innovation means working in international teams, envisaging the future for and with our customers, and developing sustainable solutions to secure and strengthen our future as a company. In this endeavor, stringent regulatory requirements form the groundwork.

We view sustainability itself as a key driver of innovation. By adhering to strict sustainability criteria in product development, we maximize our products’ social and ecological added value and generate value for our customers and stakeholders. We are building on eco-friendly chemistry, resource-efficient production and the opportunities presented by new technologies and digitalization. We create a customized sustainability concept for each of our strategic product groups. The “Product Sustainability Scorecard System,” which we developed ourselves, makes an important contribution to developing **innovative and sustainable product solutions**. The independently certified procedure allows us to record the environmental impact of raw materials and products in a systematic manner, and to merge the findings into a scientific analysis. The ten dimensions of sustainability that have been incorporated into this system include traceability, water consumption, the influence of biodiversity in the supply chain, as well as the biodegradability of products. The goal: to select the environmentally friendliest option from all of the available alternatives.

We promote innovation in our company by offering our employees a platform where they can contribute creative and promising ideas. At Diana Food’s global IDAY in 2015, more than 500 employees presented nearly 1,400 ideas. The best suggestions are currently being implemented locally, regionally, and globally. In order to add as many perspectives as possible to our innovative endeavors, we are also cooperating with an international network consisting of experts, institutions of higher learning and life science companies. As part of the degree program in Industrial Biotechnology at the Ansbach University of Applied Sciences, we are working, for example, on alternative production methods for flavors. Along with food engineers at the University in Gießen, we are researching new production



Sustainable Innovation

Thanks to our Product Sustainability Scorecard, we are in a position to document the impact of each individual substance in our products at every link in the value chain. With this, we allow our customers to compare available alternatives and select the most environmentally friendly option.

concepts that are based on modern food biotechnology procedures. We are tackling new challenges with a fresh spirit of innovation. For example, we are working with IKEA to develop healthier products for sale in their IKEA bistro. Today, consumers can choose from eight soft drinks made from natural extracts and flavors and containing 50 % less sugar than before without any loss of flavor.

When we develop innovative products, **guaranteeing maximum product safety** is our top priority. In addition to our own strict requirements on quality, we also adhere to the Good Manufacturing Practice guidelines, which serve to ensure the quality of the production processes and environments found in our industry. Independent audits and accredited certification testify to our compliance with these standards.

Increasing statutory regulations are influencing innovation and further strategic development, and help determine our agenda. In the Scent & Care segment, one of the main activities in 2016 centered around the new registration or updating of registered substances based on the criteria laid out in the European chemicals regulation REACH. To date, we have submitted new and updated dossiers for more than 30 substances to ECHA, the European Chemicals Agency. In addition, because we are a global company, we have to fulfill a multitude of different requirements. For example, various legally binding criteria governing the purity of flavoring substances have been introduced in many countries over the last few years. These vary from country to country and have not been harmonized with one another. The requirements in the EU are quite different than those in China, for instance.

Innovative Concepts for Product Safety

The market launch of the preservative SymOcide® C reflects the innovative and solution-oriented approach to product development at Symrise. We need increasingly safe, effective and approved alternatives to those traditional preservatives used in cosmetics. Our SymOcide® C offers a modern solution in terms of product safety. It can work as an effective preservative in many cosmetic products and, owing to its antimicrobial properties, it is particularly well suited for oral hygiene products such as toothpaste.

SOURCING

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

At Symrise, **responsible procurement** is a matter of course and an essential requirement, but in practice, however, this poses certain challenges, not least because of a lack of transparency, highly complex material flows, and differing objectives among the participants involved in the value chain. That's why the first step is to clearly define guidelines and ensure maximum traceability of the raw materials. All our suppliers must adhere to the Symrise Code of Conduct and deliver full disclosure as to the origin of their raw materials. As a SEDEX member, we can also rate the performance of our main suppliers in terms of factors such as **human rights**, the environment, health and safety, integrity and additional ethical criteria, and disclose our findings to our customers. All of our production facilities are audited by independent certification companies in line with the SMETA 4-Pillar Standard and beyond. During the year under review, no significant deviations were found.

In 2016, we developed a new Symrise sourcing policy that applies to the entire Group. This holistic description of our goals, standards and instruments serves, first and foremost, as a reference document for our suppliers, customers and employees. We have also established specific policies for those raw materials that pose a higher risk, such as palm oil. In addition, we are currently working on a policy for **animal welfare**. Although Symrise itself does not process any animals, the share of raw materials originating from animals has increased with our acquisition of Diana, which is why we also place such importance on clear and responsible standards in this area.

Long-Term Viable Solutions

Together with Unilever and GIZ (German Agency for International Cooperation), we further expanded our long-standing commitment to Madagascar, and our associated partnership with Save the Children, in 2016. The initiative directly supports vanilla farmers and their communities in order to improve their livelihood, promote more integrative communities, and help the farmers' children in the long term.

There are many challenges in the supply chain that we cannot solve on our own. That's why we rely more and more on collaboration within the sector and precompetitive approaches where we work together with other market participants to develop viable long-term solutions. This includes our memberships in the Roundtable on Sustainable Palm Oil, the Sustainable Spices Initiative and the U.S. Roundtable for Sustainable Beef. Within the period under review, we also joined the Natural Resource Stewardship Circle, a nonprofit organization that advocates for more sustainability in the cosmetics industry supply chain. We also support the industry association, Sustainable Agriculture Initiative (SAI), which promotes sustainable practices in agriculture.

We can best pursue and sustain our objective of sustainable procurement if we are able to have a direct influence on the upstream links in our value chain. Therefore, when it comes to our key raw materials, we pursue the goal of strategic backward integration. As we have demonstrated with vanilla production in Madagascar, we are able to create direct value for all participants. As part of our numerous social projects, we focus our efforts specifically on improving and implementing environmental and social standards. This guarantees, for us and for our customers, consistently high quality in terms of raw materials.

Precompetitive Approaches in the Supply Chain

In 2016, Symrise joined the Natural Resource Stewardship Circle, where we and other companies in our industry jointly advocate for a reduction in the negative impacts on biodiversity which may arise from business activities. To achieve this objective, our focus is on the social and economic development of local communities. The recommendations of international guidelines such as the Global Compact of the United Nations or the Declaration of the Rights of Indigenous Peoples are transposed into concrete measures.

CARE

To us, "care" means speaking up for the people within our company and in society. We rely on skilled and motivated employees who make the difference when it comes to our company's success. At Symrise, we strive to offer our people the best possible environment where they are able to self-actualize. In addition, we also accept the social responsibility that we bear beyond our own company. Our stringent plant safety measures minimize the negative impacts on society and the environment, and support the local infrastructure of the communities where our facilities are located.

The diversity of our employees is an essential component in Symrise's corporate culture. The people who work at Symrise provide us with a wealth of ethnic, cultural, religious, gender and age backgrounds. It is exactly this diversity that we see as the source of our company's creativity, and it fuels our innovation. The perspectives that Symrise employees bring to the table enrich the company by offering a range of opinions whose synergies create innovative solutions. In order to harness this potential, we systematically promote **diversity and equal opportunity**. Thanks to our guidelines for hiring and developing employees, our diversity program ensures that the diversity of our staff is maintained and expanded. This includes, for example, our targeted increases in the number of women in leadership positions. We would like to be an employer of choice for our employees, and we are striving for an employee commitment to our company into the year 2020 that matches the level of commitment we encountered in our employee engagement surveys in 2012 and 2016 (see page 66). By regularly conducting employee engagement surveys, we are able to demonstrate the partnership-like attitude of our employees and the authentic commitment of our company as an employer of choice.

We attach great importance to the consistent adherence to **occupational health and safety** in the daily activities of our employees. To comply with the specific requirements at each of our global locations, we defer to those with local authority to coordinate the occupational health and safety measures. We call this our decentralized approach. Prevention is the key to making our vision of a "zero-accident culture" a reality. For example, managers ensure their employees' safety at work by regularly conducting "management safety walk-arounds." This is done to demonstrate to our employees our commitment to the goal of reducing accidents at work and to ingrain occupational safety in our corporate culture. In 2016, we also laid the foundation for investigating near misses at work. In this process, even incidents where an accident was narrowly avoided are also documented in a standardized process. With this move, we are expanding our focus on accident prevention so that we not only consider accidents that actually occurred but also increase our potential for improvement by learning from potentially dangerous situations as well. In addition, we are committed to preventative health care for our staff. "Symply Healthy," our program to raise awareness and engage our staff, is making employees more cognizant of how they can consciously look after their health.

We focus our attention on **safety in our facilities** so that employees, the environment, and the local community are protected. In this vein, our Corporate Guidelines lay out the safety standards that apply equally to all of our production facilities around the world. Our subsidiary, TESIUM, guarantees that the plants and facilities meet our safety requirements. In addition, this subsidiary not only analyzes safety aspects, but it also studies environmental impact and energy consumption over the entire life cycle of our facilities and, in doing so, also identifies potential optimizations in these areas.

Our Path to Becoming a Zero-Accident Culture

Ever since we rolled out our "zero-accident culture," we have established a series of measures to make this ambitious goal a reality. In addition to our detailed analyses of the causes of accidents and the uniform reporting we have introduced for the entire Group, face-to-face training and online training modules form the basis of our culture of safety at work. The content of the training is tailored to the needs of the individual areas and seeks to strengthen the idea of personal responsibility.

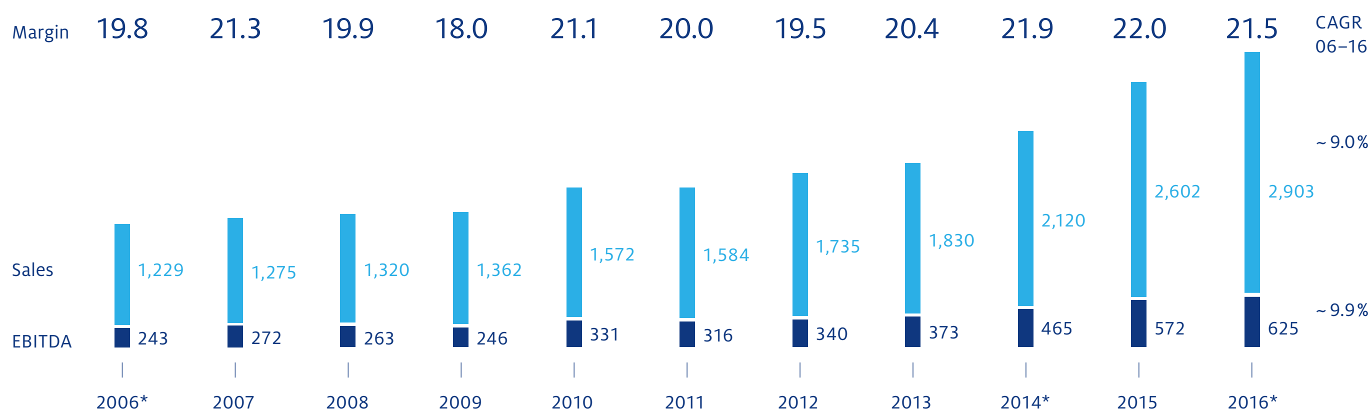
From the Group Management Report & from the Consolidated Financial Statements

Excerpts from the 2016 Group management report and the Consolidated Financial Statements provide an overview of the economic development and situation of the company. The complete Group management report and Consolidated Financial Statements form part of the 2016 financial report available at www.symrise.com/investors.

Highlights 2016

Profitable Growth in all Regions and Divisions

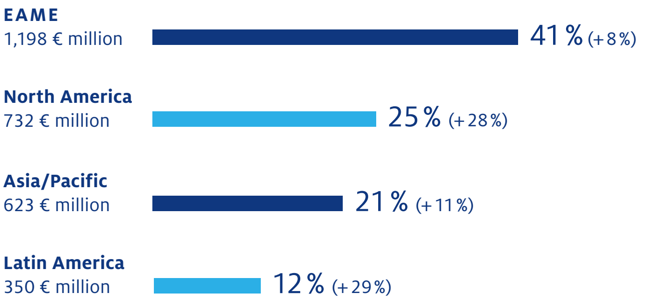
DEVELOPMENT OF SALES/EBITDA Sales in € million, EBITDA in € million, margin in %



* EBITDA adjusted for restructuring and integration expenses

SALES BY REGION

As % of Group sales and growth in % (at local currency)

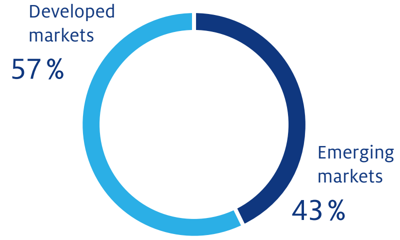


€ 2.05 Adjusted earnings per share

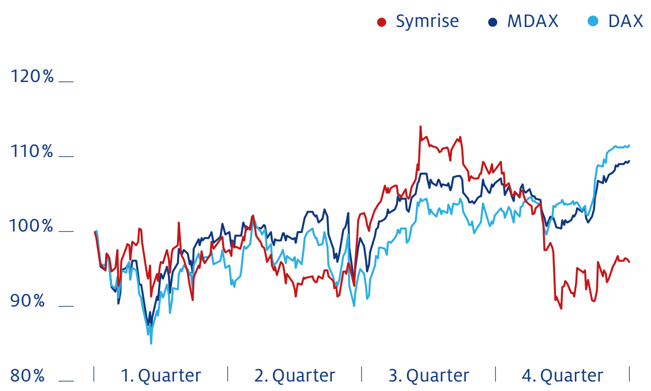
€ 0.85 Proposed dividend

SALES IN EMERGING MARKETS

% of Group sales (at local currency)



SHARE PRICE DEVELOPMENT of the Symrise stock in 2016



Overview of the 2016 Fiscal Year

The global economy grew at a slow rate in 2016. And yet, 2016 was a successful year for Symrise. The Group generated sales of € 2,903 million in the 2016 fiscal year. Sales increased 12 % (16 % at local currency) over the previous year. Excluding portfolio effects (acquisition of the Pinova Group, Scelta Umami, Nutra Canada, Nutraceutix as well as the disposal of Pinova Inc. and CAP pork specialties) (2015)[1], sales growth amounted to 8 % at local currency. The share of sales generated in emerging markets accounted for 43 % of Group sales and was therefore 3 percentage points below last year's mark of 46 %. This was primarily due to acquisition effects. Normalized earnings before interest, taxes, depreciation and amortization (EBITDAN)[2] of the Symrise Group increased by 9 % to € 625 million (EBITDA 2015: € 572 million). The Group's EBITDAN margin, as based on sales, was 21.5 % and therefore below the previous year's level of 22.0 %. This was mainly due to the inclusion of the Pinova Group in the consolidated financial statements.

The **Scent & Care** segment generated sales of € 1,311 million in 2016. Sales were therefore up 22 % on the previous year's level. At local currency, this corresponds to growth of 25 %. Excluding the Pinova acquisition, organic growth would have amounted to 5 % at local currency. EBITDAN was up 12 % over the previous year at € 258 million. The EBITDAN margin therefore amounted to 19.7 % in 2016, compared to 21.5 % in 2015. **Flavor** increased its sales by 4 % to € 1,016 million. At local currency, this corresponds to 10 % growth. EBITDA for the segment was also significantly higher than last year, amounting to € 234 million in 2016, (2015: € 219 million). The EBITDA margin amounted to 23.0 %, compared to 22.3 % in the previous year. The **Nutrition** segment increased sales 5 % to € 576 million. At local currency, this corresponds to 9 % growth. The segment generated an EBITDA of € 134 million in 2016. This was also well above the previous year's level (2015: € 122 million). The EBITDA margin was 23.2 %, compared to 22.3 % in 2015.

The Symrise Group's normalized net income rose by 8 % over the previous year to € 266 million in the 2016 fiscal year. Earnings per share adjusted for one-time specific influences improved from € 1.90 in the previous year to € 2.05 in the reporting year. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.80 to € 0.85 per share at the Annual General Meeting on May 17, 2017.

1 Detailed information on the portfolio changes can be found on pages 100–101 of this report.

2 In the 2016 fiscal year, earnings (EBITN/EBITDAN) were normalized as a result of the Pinova acquisition for one-time specific influences. A detailed summary is supplied on page 111 of this report.

Cash flow from operating activities amounted to € 339 million in 2016, € 36 million less than in the previous year (€ 375 million). The main reason for this is an increase in our inventory assets, particularly with the spike in raw material prices. The Symrise Group's liquidity increased by € 23 million to € 302 million as of December 31. Net debt (including provisions for pensions and similar obligations) increased as of the end of the 2016 reporting period by € 395 million to € 1,971 million, due in large part to the acquisition of the Pinova Group. On an annualized basis, the ratio of net debt to EBITDAN was 3.1 as of the end of the reporting period on December 31, 2016, and is thus temporarily outside of Symrise's target corridor of 2.0 to 2.5 due to acquisitions.

Basic Information on the Symrise Group

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise is a global supplier of fragrances, flavorings, cosmetic base materials and substances, as well as functional ingredients. Its clients include manufacturers of perfumes, cosmetics, food and beverages, the pharmaceutical industry and producers of nutritional supplements and pet food.

With sales of € 2.9 billion in the 2016 fiscal year and a market share of 11 %, Symrise is one of the leading global suppliers in the flavors and fragrances market. Headquartered in Holzminden, Germany, the Group is represented with locations in over 40 countries in Europe, Africa, the Middle East, Asia, the United States and Latin America. The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise shares have been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 7.5 billion at the end of 2016, Symrise shares are listed on the MDAX® index. Currently, approximately 94 % of the shares are in free float.

The Flavor, Nutrition and Scent & Care segments are responsible for the company's operating business. The former Flavor & Nutrition segment was split into two new segments (Flavor and Nutrition) as part of a new organizational and reporting structure related to the appointment of two further Executive Board members effective October 1, 2016. Each segment has its own research and development, purchasing, production, quality control, marketing and sales departments. This system allows internal processes to be accelerated. We aim to simplify procedures while making them customer-oriented and pragmatic. We place great value on fast and flexible decision-making.

The Flavor segment contains the Beverages, Savory and Sweet business units. The Nutrition segment consists of the Diana division and the business units Food, Pet Food, Aqua and Probi. The Scent & Care segment breaks down into the Fragrance, Cosmetic Ingredients and Aroma Molecules divisions.

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

Additionally, the Group has a Corporate Center where the following central functions are carried out: Finance, Corporate Communications, Investor Relations, Legal Affairs, Human Resources, Group Compliance and Corporate Internal Audit. Other supporting functions such as information technology are prevailingly either outsourced to external service providers or bundled in separate Group companies. The latter have maintained business ties to customers outside the Group, for example, in the areas of technology, energy, safety, the environment and logistics.

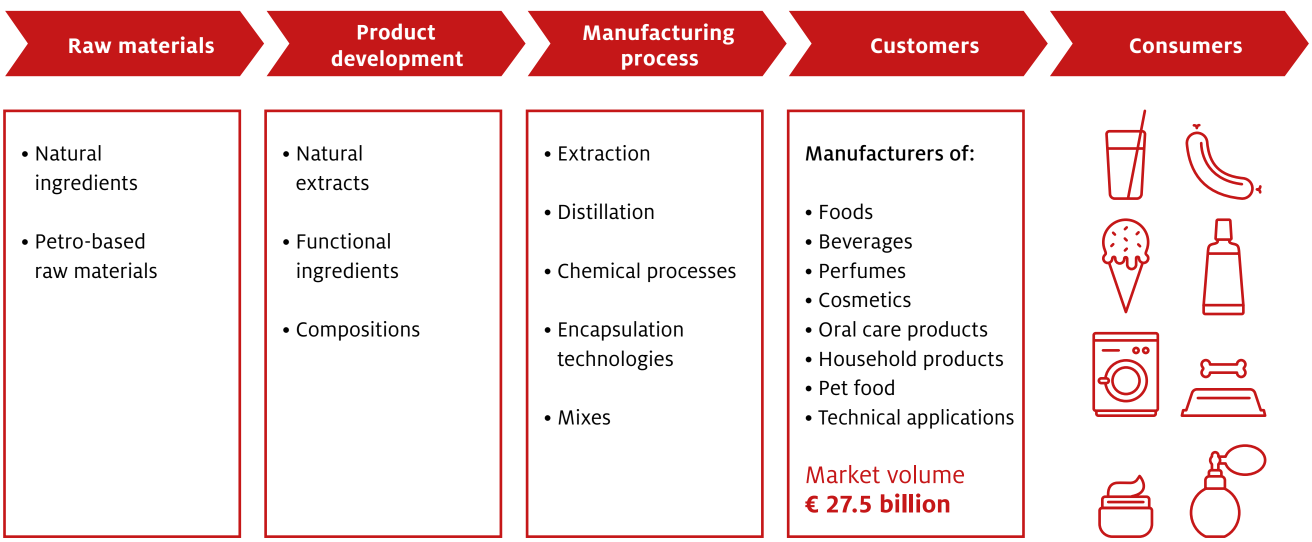
Symrise AG's headquarters are located in Holzminden, Germany. At this site, the Group's largest, Symrise employs 2,284 people in the areas of research, development, production, marketing and sales as well as in the Corporate Center. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and in France (Rennes, Brittany). Important production facilities and development centers are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. Symrise has sales branches in more than 40 countries.

BUSINESS ACTIVITIES AND PRODUCTS

SYMRISE'S VALUE CHAIN

Symrise manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of the three segments extends across research and development, purchasing, and production as well as the sale of products and solutions. 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. Along with the typical product characteristics such as fragrance and taste, our value creation lies in the development of products with additional benefits. Examples of how flavors and perfume oils are combined with other innovative components include flavorings that enable foods' sugar or salt content to be reduced or a moisturizing cosmetic ingredient that lowers the proportion of preservatives in care products. On the basis of these products, our customers can differentiate themselves from competitors with their tailor-made end products in the rapidly changing consumer goods

SYMRISE'S VALUE CHAIN



market. The extensive research and development (R & D) undertaken at the company, which is supplemented by a wide-reaching external network of research institutes and scientific facilities, forms the basis of our product development. Given the strong differences in sensory preferences from region to region, comprehensive consumer research is also an important part of our R & D activities.

CORPORATE STRUCTURE

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

We manufacture our flavorings and fragrances at our own production plants. In some cases, we have longer-term delivery contracts for obtaining important raw materials. We maintain close ties with our suppliers and establish uniform standards to guarantee that the quality of our base materials remains the same.

FLAVOR

Flavor's range of products consists of approximately 13,000 items, which are sold in 145 countries. The flavorings we produce are used by customers to make foods and beverages and give the various products their individual tastes. Symrise supplies individual flavorings used in end products as well as complete solutions, which, apart from the actual flavor, can contain additional functional ingredients, food coloring or microencapsulated components. The segment has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa.

The **Flavor** division's flavorings and ingredients are used in three business units:

Beverages: With global competencies in alcoholic, nonalcoholic, dried and instant beverages, Symrise is setting new standards and trends in the national and international beverage industry through the authentic, innovative tasting experiences Symrise delivers. Thanks to years of expertise, refined technologies and its comprehensive understanding of markets and consumers, the company is creating completely new prospects for the beverage industry while meeting individual customer needs.

Savory: Savory flavors are used in two categories: in the "Culinary" category with its taste solutions for soups, sauces, ready-made meals, instant noodles and meat products as well as in the "Snack Food" category with seasonings for snacks. Both areas focus on creating successful concepts for customers that meet consumers' constantly growing desire for authentic flavor, naturalness and convenience. Here, Symrise can rely on its sustainable core competencies in meat and vegetables as well as its cutting-edge food technology and research.

Sweet: In the Sweet business unit, Symrise creates innovative taste solutions based on its comprehensive understanding of the markets and consumers for sweets, chocolates, chewing gum, baked goods, cereals, ice cream and milk products as well as for the health care sector. Interdisciplinary teams bring together their ingenious creativity to meet customers' specific needs. A diversified product portfolio offers consumers exciting and unique taste experiences.

NUTRITION

The Nutrition segment has sites in 23 countries and markets its nearly 2,000 products in 89 countries. The product range in the **Nutrition** segment breaks down into four business units:

Food: This unit and its food ingredients comprises natural sensory product solutions such as taste, texture, color and functionality in foods and beverages. The unit also offers products for baby foods. Diana has comprehensive backward integration processes established for vegetables, fruit, meat and seafood. Diana places quality, traceability and food safety in the foreground.

Pet Food: This unit is responsible for natural-taste and acceptance-enhancing product solutions for pet foods. The business unit maintains its own cat and dog panels for gauging progress on its work improving sensory product characteristics. Furthermore, solutions for enhancing product attractiveness for pet owners are also a focus of development.

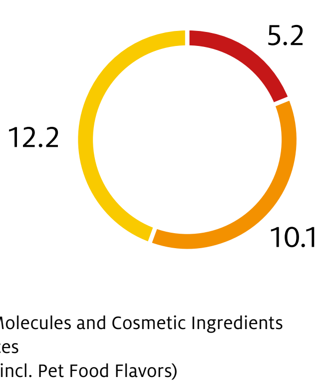
Aqua: The business unit Aqua is organizationally situated within the Nutrition segment as an independent business unit. Aqua develops and produces sustainable marine ingredients for aquacultures used for nutritional-physiological and animal health purposes.

Probi: All activities having to do with probiotics will be pooled in this business unit from now on. These activities largely stem from the Swedish Symrise holding Probi. Probi develops probiotics for foods, beverages and nutritional supplements with health-promoting benefits.

SCENT & CARE

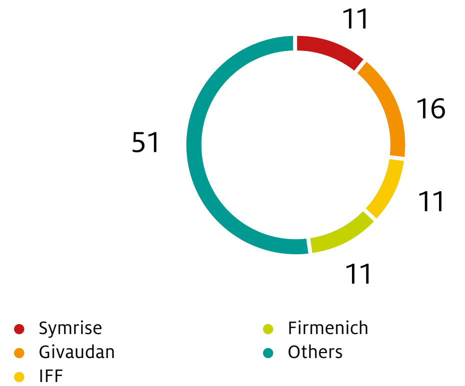
The Scent & Care segment has sites in more than 30 countries and markets its nearly 15,000 products in 135 countries.

RELEVANT AFF MARKET SIZE 2016
in € billion (approx. € 27.5 billion overall)



Sources: IAL (10th Edition, December 2016), TechNavio/Infiniti (2016), GIA (2015)

MARKET SHARE AFF MARKET 2016
in % (Market volume approx. € 27.5 billion)



Source: corporate data and internal estimates

Scent & Care is divided into three global divisions: Fragrance, Cosmetic Ingredients and Aroma Molecules. Their products are used in the following business units:

Fragrance: Our creative and composition business comprises the four global business units Fine Fragrances, Beauty Care, Home Care and Oral Care. Perfumers combine aromatic raw materials like aroma chemicals and essential oils to make complex fragrances (perfume oils). Symrise's perfume oils are used in perfumes (Fine Fragrances business unit), in personal care products (Beauty Care business unit) and household products (Home Care business unit). Symrise also offers the entire product range of mint flavors and their intermediate products for use in toothpaste, mouthwash and chewing gum (Oral Care business unit). The objective of the division is to provide everyone who uses our products with "fragrances for a better life." The division employs more than 70 highly talented and respected perfumers of 14 different nationalities, who work at 11 creative centers around the world. Their combined experience adds up to more than 1,300 years of perfumery expertise.

Cosmetic Ingredients: Symrise is a world market leader in the premium cosmetic ingredients market – ingredients used in everything from cosmetic products with multifunctional benefits to sun protection solutions. The Cosmetic Ingredients division is a recognized innovation leader that has received 36 innovation awards for new substances over the last ten years. In the same period, it has submitted numerous patent applications for new substances. In 2016 alone, the division submitted 17 new patent applications. The products manufactured by Cosmetic Ingredients are used in skin and hair care products, sunscreens, men's care products, shower gels, wash lotions, anti-dandruff shampoos and deodorants. Products with nurturing characteristics as well as alternative preservatives and colors are another focal point for the division.

Aroma Molecules: The division comprises the business units Menthols, Special Fragrance & Flavor Ingredients, Sensory & Terpene Ingredients and Fine Aroma Chemicals. In the Menthols business unit, Symrise manufactures nature-identical menthol, which is primarily used in manufacturing oral care products, chewing gum and shower gels. Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals manufacture aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used both in Symrise's own production of perfume oils as well as marketed to companies in the consumer goods industry and other companies in the fragrance and flavor industry. The Sensory & Terpene Ingredients business unit comprises the US company Renessenz LLC, acquired and integrated in 2016, and its terpene-based products made from renewable and sustainable raw materials.

With the sale of Pinova Inc., the Aroma Molecules division will now concentrate on its core competencies of fragrances and sensory ingredients, which are primarily used in the fragrance and flavor industry. The integration of the remaining Renessenz business expands the existing Symrise portfolio, particularly in the area of cooling substances and products made from natural and renewable raw materials.

MARKET AND COMPETITION

MARKET STRUCTURE

The Symrise Group is active in many different markets around the world. These include the traditional market for flavorings and fragrances (F & F market), whose volume amounted to € 22.3 billion in 2016, according to calculations made by the IAL Consultants market research institute (10th issue, December 2016). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to the current reports from TechNavio/Infiniti (December 2016 issue) and Global Industry Analysts (GIA; 2015 edition), achieved sales of approximately € 5.2 billion. The markets have many trends and characteristics in common. The market relevant for Symrise therefore has a total volume of € 27.5 billion and is achieving average long-term growth of about 3 % per year according to our own estimates.

More than 500 companies are active in the market worldwide. The four largest providers, which include Symrise, together have a market share of about 50 %.

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

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

SYMRISE'S MARKET POSITION

Symrise is one of the largest companies in the F & F industry. In relation to the relevant market of € 27.5 billion, Symrise's market share for 2016 is roughly 11 % in terms of sales. Symrise has expanded the traditional segments to include even more applications: for instance, with cosmetic ingredients in Scent & Care and pet foods and food ingredients within the Diana division of the Nutrition segment. On the basis of these more complex product solutions, greater value creation can be achieved. In submarkets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also stands in competition with companies or product segments of these companies that do not belong to the traditional F & F industry.

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

GOALS AND STRATEGY

GOALS

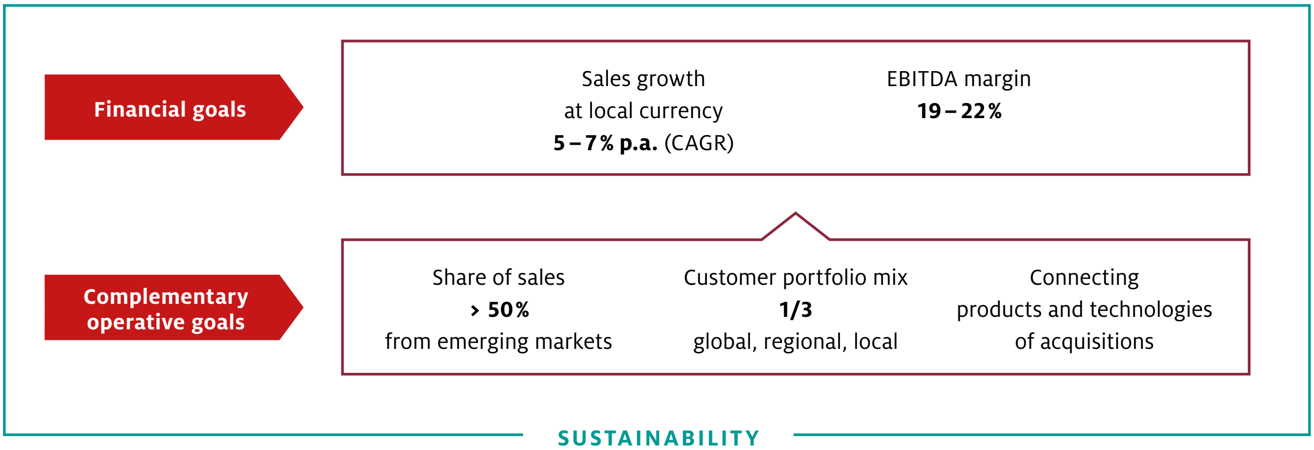
In the long term, we want to strengthen our market position and ensure Symrise's independence. At the same time, we recognize our responsibility toward the environment, our employees and society at large. By increasing our sustainability regarding our footprint, innovation, sourcing and care, we minimize risk and promote Symrise's continued economic success.

- Market position: With long-term growth of 5 to 7 % per year at local currency (CAGR), our sales growth should exceed the long-term growth of the market, which is expanding by about 3 % per year on average. In this way, we will gradually increase the distance between us and smaller competitors and gain market share.

- Value orientation: We want to consistently be among the most profitable companies in the industry. We aim to achieve a sustainable EBITDA margin of 19 to 22 %.

Performance results are described in greater detail in the corporate development section. We ensure that our shareholders have an appropriate share in the company's success. Our dividend policy is oriented toward the company's profitability.

LONG-TERM GOALS 2020

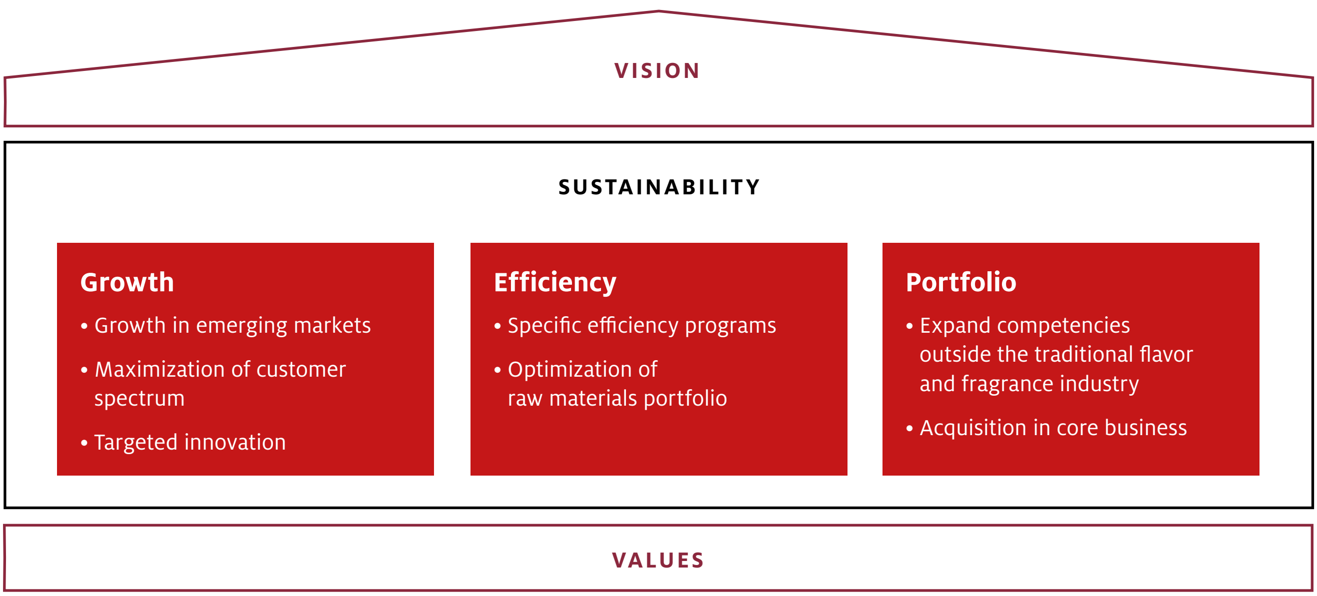


STRATEGY

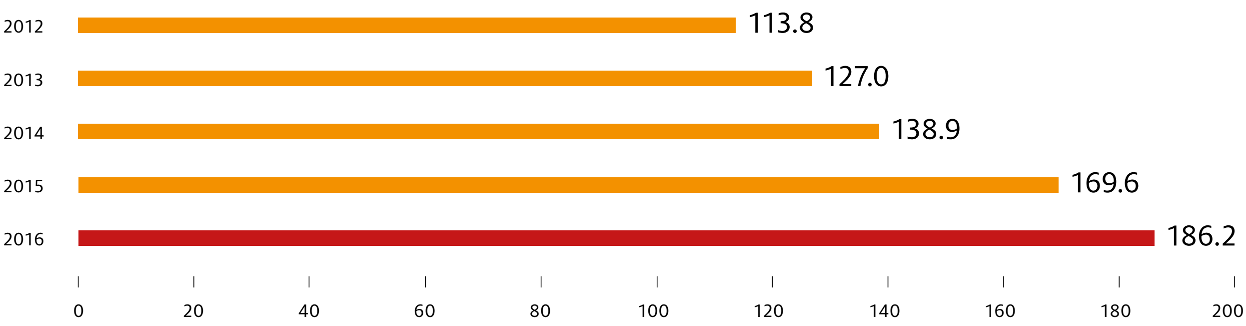
Symrise's corporate strategy rests on three pillars: growth, efficiency and portfolio. It incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. In this way, we are making sustainability an integral part of our business model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

- Growth: We strengthen our cooperation with our strategic customers around the world and expand our business in the emerging markets. We make sure that we remain innovation leaders in our core competencies. This ensures our continued growth.
- Efficiency: We constantly work to improve our processes and concentrate on products with a high level of value creation. With backward integration for key raw materials, we ensure a consistent, high-quality supply of these materials in sufficient quantities and at set conditions. We work cost-consciously in every division. This ensures our profitability.
- Portfolio: We enhance our product portfolio and tap into new markets and segments. We continue to expand our expertise outside the traditional flavor and fragrances industry. This ensures our prominent market position.

Symrise grows organically. When it makes sense, we engage in expansive acquisitions or enter into strategic partnerships



R & D EXPENSES, in € million



for product development. At the same time, we want to ensure that Symrise remains capable of taking advantage of any growth opportunities that arise without jeopardizing the company's financial stability.

VALUE-ORIENTED MANAGEMENT

Different variables are at play within the framework of value-oriented corporate governance. The EBITDA margin, for which we have defined a strategic target value of 19 to 22 % on average, serves as an indicator of the company's profitability. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, we attach great importance to the company's financial stability. Management's focus, therefore, is guided by these financial control parameters. Non-financial benchmarks are playing an increasingly important role, particularly in areas relating to the environment, procurement, employees and innovation.

RESEARCH AND DEVELOPMENT

GUIDELINES AND FOCUS AREAS

Our research and development (R & D) strategy aims to connect the individual components of product development, such as market and consumer research, R & D and creation, throughout the Group. All research activities consider relevant customer, market and sustainability aspects. Through the close linkup of R & D with marketing and business units, purchasing and manufacturing, product development, quality assurance and regulatory issues, we check early on to see whether new products and technologies can be implemented and if they are profitable in addition to assessing their sustainability aspects. External collaborations and networks (Open Innovation) are bringing a wealth of new methods and ideas to the development process. Along with ideas from Open Innovation, Symrise also maintains a global project network with industrial and academic partners that covers every development stage of the innovative process. Furthermore, all R & D activities are geared to the guidelines of megatrends, consumer needs, customer requirements, sustainability, innovation and cost efficiency. The capitalization rate for research and development activities remained immaterial as in the previous year.

The R & D strategy of the Scent & Care segment concentrates on five research platforms in the areas of cosmetic ingredients, encapsulation and release systems, green chemistry, malodor management and oral care. Supporting platforms in the areas of sensory and analytical research, natural raw materials and byproducts, performance and receptor research form the basis for our capabilities and constant innovation process.

Exemplary research programs and product launches include our backward integration projects in Madagascar and the Brazilian Amazon region, which have the goal of producing high-quality natural products from sustainably grown raw materials while also fostering local community development. For instance, high-quality essential oils from Madagascar were presented at the World Perfumery Congress in Orlando – receiving lots of interest and recognition. Additional product launches include new encapsulation technologies like Ambrostar®, which acts as a new benchmark for longevity, and SymCap® G2, an improved second generation fragrance release solution that increases customer benefits and is formaldehyde free. Furthermore, a product series of fatty oils sustainably produced in the Brazilian Amazon region were presented at the In Cosmetics in Paris.

Alongside comprehensive research programs that are aimed at the specific innovation requirements of the segments' respective business units, there are supplementary programs at Symrise that generate competitive advantages by expanding the company's portfolio of expertise. One example of this is Beauty+, which creates added value through the systematic, synergistic development of active cosmetic ingredients, fragrances and oral care solutions. Another example is ethnic hair care: Our recently opened Hair Care Innovation Center in São Paulo, Brazil, presented its first products for ethnic hair care and products that protect hair from air pollution at the In Cosmetics Brasil in 2016.

With the intelligent and mutually complementary combination of technical innovations and sensory research – performed in close cooperation with Diana – we managed to notably enhance the acceptance of product solutions for masking malodors in pet food.

The Flavor and Nutrition segments handle the following topics based on certain technology platforms while maintaining special focus on sustainability:

- Formulation technologies for flavors with reduced energy consumption, increased use safety and improved performance profiles.
- Development and manufacturing recipes, which are backed by data analysis and computational models, for producing flavor solutions with optimized raw material selection and a reduced environmental footprint.
- Development of new and improved processes for using valuable natural resources by incorporating biocatalysis and fermentation technologies while reducing waste and byproducts with support from life cycle analyses.
- Examination and improvement of select renewable raw material flows, such as vanilla or onions, by optimizing cultivation, harvest, transport and storage. Selection of superior varieties with the aid of chemical and biological analysis as well as the determination of temporal and locational quality parameters for avoiding losses.

A further focus is the sustainable design of natural and labeling-friendly product solutions with excellent sensory properties. Creation expertise was significantly expanded in the year under review via newly developed, statistically based model calculations for optimizing recipes based on analytical data and sensory results. This method is particularly suited for combining and optimizing natural raw materials with complex sensory characteristics as a way to refine a product's sensory profile. At the same time, a systematic enhancement of agriculture-based raw materials is carried out in the Diana Food business unit.

Together with Diana Pet Food, comprehensive research and development work takes place in developing and optimizing flavor systems and technologies for food components that increase pets' acceptance of food. Here, a new patent-protected cell model was developed in cooperation with B.R.A.I.N. AG in Zwingenberg, Germany, that can identify specific substances that cats tend to prefer.

Other focus areas of our research activities include flavor systems and technologies to increase the health benefits of foods – for instance, protein-rich foods and foods with reduced sugar, fat or salt. New flavor solutions to enhance reduced sugar beverages were introduced in the past year. Additionally, the platform for flavors was expanded to include solutions that can reduce the unwanted taste of certain food ingredients, such as plant proteins.

CORE FUNCTIONS OF RESEARCH AND DEVELOPMENT AT SYMRISE

INDUSTRY 4.0

Basic research
- Products
- Technologies

Applied innovations
- Comprehensive product solutions

Application and process technologies
- Pilot scale

SUSTAINABILITY ASPECTS

An increasingly important key to success is the ability to skillfully combine traditional tools in analytics, sensory, synthesis, food technology and process technology with new and enhanced instrumental, biological and biotechnical methods and processes (receptor biology, biotransformation, new enzymes, metabolomics, DNA fingerprinting) as well as processes that use chem-/bioinformatics. Here, new structures in the area of flavoring substances with taste modulating properties were identified via in-silico screening and structure-activity relationships (TasteCycle®). The statistical analysis, evaluation and planning of experiments for the development and optimization of sustainable processes and flavor compositions ("design of experiments," DoE) also play a key role.

RESEARCH AND DEVELOPMENT EXPENSES

Total R & D expenditures amounted to € 186 million in the 2016 fiscal year (previous year: € 170 million), comprising 6.4 % of sales (previous year: 6.5 %). The expenses for R & D should remain at this level moving forward in order to further enhance Symrise's innovative strength.

EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2016, the Symrise Group employed 8,944 people worldwide (not including trainees and apprentices). In comparison to December 31, 2015 (8,301), this represents an additional 643 employees. The largest increase in employees was in the Scent & Care segment (+ 263 employees), which employs 29 % of all Group employees. This was particularly influenced by the acquisition of Renessenz LLC as part of the Pinova Group in the USA. 35 % of employees work in the Flavor segment, 26 % in the Nutrition segment. Here, the number of employees also increased considerably in 2016 (+ 252 employees), primarily due to the acquisition of Nutraceutix Inc. via the Swedish company Probi AB. About 10 % of the Group's employees work in Corporate Services and the Corporate Center as well as in the separate Group companies Symotion and Tesium, which also occasionally provide services for third parties in such areas as technology, energy, safety, environmental issues and logistics. The number of apprentices and trainees was nearly identical to the previous year at 148 (previous year: 147 apprentices and trainees). In particular, they are being trained as chemical lab technicians and chemists, industrial clerks and business students (dual training with a Bachelor of Business Administration degree) as well as industrial mechanics.

From a functional perspective, the largest portion of the Symrise Group's workforce is employed in the area of production and technology (47 %). This area grew by 269 employees in 2016, which was the largest growth in the Group. 23 % of the workforce is employed in sales and marketing, while 18 % of employees work in research and development.

Of the Group's 8,944 employees, about 29 % work at sites in Germany, while the EAME region as a whole accounts for 50 % of the workforce. 19 % of our employees work in the Latin America region, 16 % in Asia/Pacific and 15 % in North America.

In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 58 %. We regularly assess the development of demographics in our workforce. Development of demographics will be very steady over the next ten years. The natural reduction of the workforce due to retirement will be around 1 to 2 % per year until 2020.

39 % of the Symrise Group's employees have been with the company for at least ten years – at German sites, this group accounts for 68 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.1 % in 2016. Globally, the figure was 4.8 %.

NUMBER OF EMPLOYEES BY SEGMENT

	December 31, 2015	December 31, 2016	Change in %
Flavor	3,069	3,164	+ 3
Nutrition	2,043	2,295	+ 12
Scent & Care	2,299	2,562	+ 11
Corporate functions and services	890	923	+ 4
Total (not including trainees and apprentices)	**8,301**	**8,944**	**+ 8**
Trainees and apprentices	147	148	+ 1
Total	**8,448**	**9,092**	**+ 8**

Basis: Full-time equivalents (FTE), not including temporary workers

NUMBER OF EMPLOYEES BY FUNCTION

	December 31, 2015	December 31, 2016	Change in %
Production & Technology	3,895	4,164	+ 7
Sales & Marketing	1,839	2,053	+ 12
Research & Development	1,538	1,577	+ 3
Administration	641	748	+ 17
Service companies	388	402	+ 4
Total	**8,301**	**8,944**	**+ 8**

Basis: Full-time equivalents (FTE), not including apprentices, trainees and temporary workers

NUMBER OF EMPLOYEES BY REGION

	December 31, 2015	December 31, 2016	Change in %
Germany	2,528	2,586	+ 2
EAME not including Germany	1,782	1,876	+ 5
North America	952	1,339	+ 41
Asia/Pacific	1,361	1,424	+ 5
Latin America	1,678	1,719	+ 2
Total	**8,301**	**8,944**	**+ 8**

Basis: Full-time equivalents (FTE), not including apprentices, trainees and temporary workers

PERSONNEL STRATEGY

In 2016, we provided a new dynamic for the continued development of our HR policy with the employee engagement survey. About 5,400 employees in ten different countries participated in the survey, which corresponds to 80 % of all staff. This excellent participation rate points to a high level of acceptance for the employee engagement survey as an internal corporate tool for communication and involvement. With the statistically valid feedback, we continue to refine our corporate culture.

The Employee Commitment Index

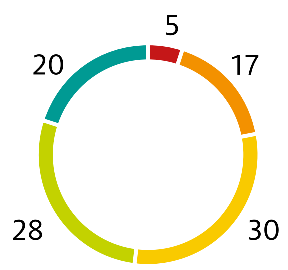
An important form of feedback from our employees is expressed in the employee commitment index.

This figure reflects:

- The satisfaction of employees with their work situation (satisfaction, reapplication, recommendation)
- How motivated they are to work for Symrise (personal motivation and team motivation), to identify themselves with the company and work towards its goals
- Their trust in the competitive ability and future viability of the company and therefore their trust in the company's leadership

Employee commitment is calculated as an index score on a scale of 0 to 100. A higher index score means higher commitment.

AGE STRUCTURE OF THE WORKFORCE 2016 in %



With an index score of 67, employee commitment improved 4 points compared to the last survey in 2012. This shows that employees are satisfied with the development of the company as a preferred employer. They trust the company's innovative and competitive abilities and this provides them with motivation for their daily work.

Potential for improvement was identified in the following areas:

Employee and Manager Development
In 2017, we will improve career development and advancement opportunities at Symrise in a targeted manner. Career advancement, learning and (with corresponding performance and ability) promotions are particularly important to our employees.

Transparent Remuneration Structures
A further focus is on enhancing transparency in our remuneration structures. In many countries, we are bound by wage agreements. Outside of these wage agreements, our job grade concepts set the structure for non-tariff salaries in the various countries. Bonus systems with performance- and success-based variable remuneration components allow employees to share in the company's success.

By training our managers, we want to promote knowledge about our remuneration systems and help our managers be in better position to explain remuneration decisions to employees.

Education
One of Symrise's strength lies in training and education. We spend about € 3 million annually on training and personnel development measures worldwide.

In 2016, about 350 training sessions were held (160 internal and 190 external), where a total of 1,516 employees participated. Worldwide, the total training amounted to about 48,450 hours. The training content included practical workshops for managers who pass on the knowledge gained to their teams. A notable focus of these training sessions was sustainability.

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

At our flavorist and perfumer schools, we train specialists who can be quickly and successfully inserted into our product development teams. Furthermore, our employees have many opportunities to earn a bachelor's degree, master's degree or even a doctorate thanks to our cooperation with colleges, academies and institutes. These measures are regularly supported by Symrise.

Health Management and Demographic Change
This past year, health management continued to focus intensively on the risk assessment, which is anchored in work safety law, of psychological stresses. After including the operating divisions and later the laboratories in 2015, the focus for 2016 was mainly on assessing office environments at Symrise.

With the help of a checklist, employees were surveyed on the following topics: decision-making freedom, time pressure, conflicting requirements, cooperation and management, work environment and demographic aspects. The Work Safety department guided the process and supported the managers in developing any necessary measures and implementing these. Since many work processes were critically scrutinized and analyzed at these meetings, the risk analysis also supported the company's lean management efforts.

PERSONNEL MEASURES

Remuneration and Wage Agreements
Symrise's remuneration policy follows a simple principle: Wherever wage agreements are the norm, these are applied at Symrise. Wage agreements apply to about 65 % of our workforce worldwide. In places where no wage agreements exist, we use a globally standardized job grade concept. This ensures that every employee receives fair and competitive remuneration.

In Germany, Symrise uses the pay rates for the chemical industry. Accordingly, wages increased 2.3 % as of September 1, 2016. For the application of this increase at Symrise, we took into account our pioneering site safeguard agreement, which will remain in effect through the year 2020, and provides for salary reductions of 0.7 percentage points compared to the collective tariff. In October 2017, the wages will be adjusted a further 1.6 %.

Furthermore, a profit-sharing option was offered to employees covered by wage agreements in Germany. Employee performance should pay off at Symrise. With this profit-sharing scheme, outstanding performance at the German sites is being acknowledged.

Symrise's standardized job grade concept remuneration model applies to all regions. It is structured according to the function of the position and its respective responsibilities. It also includes a bonus concept. Job grades make remuneration transparent and highlight career possibilities within the company. The Symrise job grade concept includes specialist and manager tracks and promotes movement between both paths. In 2016, we revised our job grade concept in cooperation with a group of experts and will inform our managers and employees about the changes in 2017 via a broad communications campaign and training measures.

In addition, a separate Global Performance Bonus Plan ensuring that company goals are reached by means of variable remuneration geared toward results and performance applies to about 70 managers with global or regional responsibilities.

Measures to Safeguard Competitiveness

The existing company wage agreement between Symrise and IG BCE (Mining, Chemical and Energy Industrial Union) makes an important contribution toward securing the company's competitive position. The agreement was extended until 2020 at the beginning of 2012. The essential elements of the agreement on the company's side are a guarantee of location and employment as well as investment commitments of around € 220 million for the German sites until 2020. At the same time, the agreement forms the basis for qualification measures and considerable cost savings through the retention of a working week of 40 hours and the gradual takeover of the IG BCE union wage rates with clearly defined reductions of 0.7 percentage points per year until 2020. The implementation of qualification measures, which foster and enhance the innovative ability of our employees, is an essential pillar of our personnel policy. With these concessions, the workforce is making a decisive contribution to internationally competitive personnel costs at our German sites. A key element of the collective bargaining agreement is the return of these competitiveness-enhancing discounts to employees if Symrise loses its independence. In this case, the chemical industry's general wage agreement automatically comes into effect six months after Symrise is acquired by a third party. This does not affect the site guarantee and the waiver of terminations for business reasons through 2020.

Economic Report

CORPORATE DEVELOPMENT

CURRENT DEVELOPMENTS WITHIN THE GROUP

Changes to the Portfolio

On January 7, 2016, with a transaction volume of USD 412 million, Symrise successfully completed the acquisition of the Pinova Group, USA, announced in the previous year. The Pinova Group is a leading provider of ingredients from natural and renewable raw materials that are mainly used in the production of perfumes and fragrances as well as in oral care products. With the acquisition, Symrise substantially expanded its range of raw materials in fragrances and thus strengthened its competitive position in the creation of perfume compositions. The company is also expanding forward integration in menthols through cooling substances, which are increasingly used in combination with menthol-based products.

On January 6, 2016, Diana Naturals SAS, France, finalized a transaction, which had also been announced in the previous year, for the acquisition of 60 % of the shares in Scelta Umami Holding BV, which is the parent company of the operating company Scelta Umami BV. Both are located in the Netherlands. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio of the Nutrition segment. The purchase price amounted to € 8.2 million.

In May 2016, the Diana division acquired the company Nutra Canada. The company, based in the Canadian province of Quebec, specializes in manufacturing fruit and plant extracts with functional added benefits. The purchase price amounted to € 4.3 million.

The Symrise holding Probi AB, a developer and manufacturer of probiotics headquartered in Sweden, signed an agreement on the purchase of the probiotics manufacturer Nutraceutix via its US subsidiary Probi USA Inc. in June 2016. The preliminary purchase price amounts to USD 106.5 million. The transaction was completed as scheduled on October 3, 2016. With this acquisition, Probi is expanding its market share in North America – the largest and quickest growing market for nutritional supplements.

In the course of its continuous portfolio optimization, Symrise made the decision in the fourth quarter of 2016 to sell the industrial division of the recently acquired the Pinova Group. The unit operating under the brand name Pinova, with product solutions for technical applications such as adhesives, paints and coatings as well as the tire and construction industry was purchased by DRT (Dérivés Résiniques et Terpéniques), a French company specializing in the processing of resins and turpentine extracted from pine. The preliminary purchase price amounts to USD 140.5 million. The share of sales for 2016 amounted to USD 99.9 million. The transaction was completed on December 9, 2016. The industrial applications had limited connections to Symrise's core areas of business. Symrise did, however, secure access to specific raw materials from renewable sources. DRT and Symrise will continue to work closely in the future as part of a supplier cooperation.

Symrise will, however, maintain the activities from the former Renessenz from the Pinova Group acquisition. These were completely integrated into the Aroma Molecules division during the year under review.

Sustainable Recognition
At the ninth German Sustainability Day on November 25, 2016, Symrise was named one of the five most sustainable large corporations in Germany. The company impressed the judges in particular with its systematic sustainability management, continual improvements both in the supply chain and within the company as well as measures to preserve biodiversity. The sustainability award was conferred across eleven categories to companies of various sizes as well as to municipalities and researchers. The award is an initiative of the German Sustainability Award Foundation in cooperation with the Federal Government of Germany and various municipal umbrella organizations, trade associations, civic organizations and research institutes. The panel of judges includes scientists and representatives from the environmental protection group NABU (Naturschutzbund Deutschland e. V.) and from the Association of German Chambers of Commerce and Industry DIHK (Deutscher Industrie- und Handelskammertag e. V.).

Symrise, Unilever and GIZ Partner With Save the Children
In the fourth quarter of 2016, Symrise, Unilever and the German Society for International Cooperation (GIZ) GmbH entered a partnership with Save the Children that aims to improve the standard of living for the vanilla farmers in the Sava region of Madagascar. The development partnership is being funded in part by develoPPP.de, a program of the German Federal Ministry for Economic Cooperation and Development (BMZ).

The initiative is planned for three years and has the goal of eliminating certain complex social and economic constraints that have kept the farmers working in the vanilla supply chain and their families in a cycle of poverty for generations. It supports the farmers and their communities directly by improving their living conditions, creating more integrative communities and providing their children with better opportunities.

The program should be rolled out in over 70 villages and help 50,000 people in about 10,000 households. According to estimates, 70 % of the people in these communities live below the poverty line and have very unstable incomes.

Reducing Environmental Influences With a New Power Plant in Holzminden
In November 2016, Symrise began operations at its new power plant in Holzminden following several years of planning and construction. It represents a new milestone in energy supply for Symrise. The new power plant works according to the principle of cogeneration and, with its conversion from sulfurous crude oil to natural gas, represents a sustainable and forward-thinking model. The new power plant emits 35 % less CO_2, 80 % less sulfur and 22 % less nitrous oxide. Furthermore, Symrise now generates about two-thirds of the power needed for its plant in Holzminden thanks to a gas turbine.

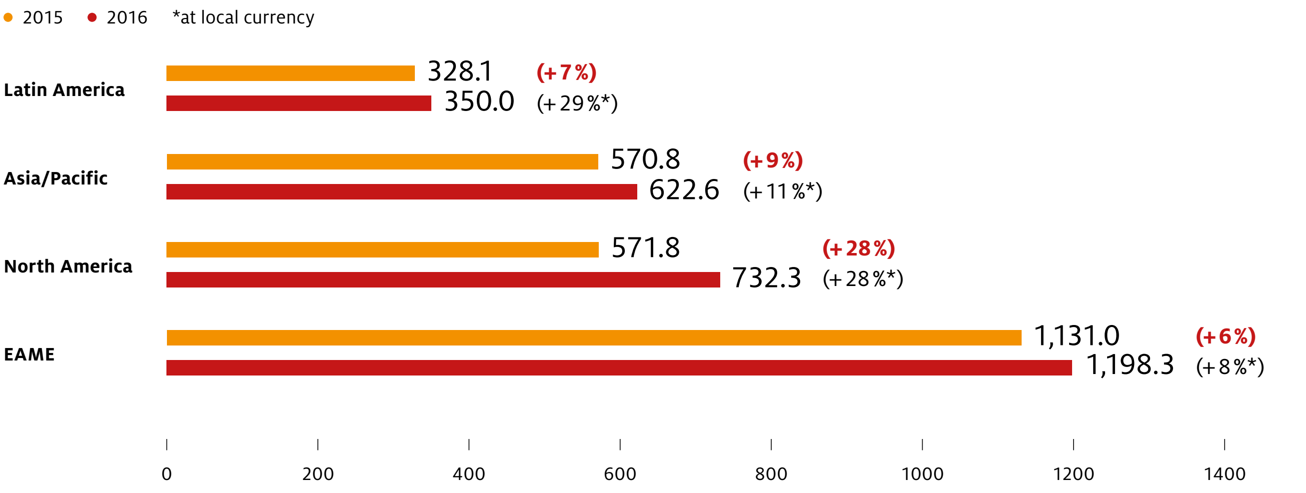
GENERAL STATEMENT ON THE COURSE OF BUSINESS AND ON THE GROUP'S NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

The Symrise Group generated sales of € 2,903 million in the 2016 fiscal year. Sales increased 12 % over the previous year in the reporting currency (16 % at local currency). Excluding the portfolio effects described above, sales growth amounted to 8 % at local currency. The emerging markets' share of total Group sales amounted to 43 %. With the acquisitions in the 2016 fiscal year, this share of sales decreased by three percent-

ACHIEVEMENT OF TARGETS IN 2016

	Target at the Beginning of the Fiscal Year	Figure Achieved
Sales growth (at local currency)	notably above market growth rate of 2 to 3 %	16 % (8 % without portfolio effects)
EBITDAN margin	about 20.0 %	21.5 %
Net debt (incl. provisions for pensions and similar obligations) / EBITDAN	about 3.0	3.1

SALES BY REGION in € million



age points compared to the previous year, as the acquired companies mainly generate their sales in developed markets. Normalized earnings before interest, taxes, depreciation and amortization (EBITDAN)[3] at the Group level increased by 9% from € 572 million (not normalized) to € 625 million. This corresponds to an EBITDA margin of 21.5% (non-normalized EBITDA margin from the previous year: 22.0%).

Normalized net income for 2016 increased by € 19 million over the previous year to € 266 million. Normalized earnings per share amounted to € 2.05 (non-normalized 2015: € 1.90). Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.80 to € 0.85 per share at the Annual General Meeting on May 17, 2017.

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the start of 2016, we expressed our goal of posting sales growth at local currency well beyond the average market growth rate (around 3%) in what were our two segments at the time.

We anticipated an EBITDA margin of about 20% under the assumption that raw material prices would remain at the level of 2015 and exchange rates would not change significantly from 2015. Debt, as measured in terms of the key figure net debt (including provisions for pensions and similar obligations) to EBITDA, should be roughly 3.0 in 2016 due to the Pinova acquisition. In the medium term, we are aiming for a return to the debt range of 2.0 to 2.5.

Achievement of Targets in 2016

With sales growth of 16% at local currency, or 8% without the portfolio effects described above, we have significantly exceeded our sales goals. The EBITDA margin of 21.5% was above the expected value for 2016. A net debt ratio to EBITDA of 3.1 was slightly higher than our expectations.

RESULT OF OPERATIONS

Group Sales

For 2016 as a whole, the Symrise Group generated sales of € 2,903 million. In comparison to the previous year, sales increased 12% in the reporting currency and 16% at local currency. Excluding portfolio effects, sales growth amounted to 8% at local currency.

Segments: Sales in the **Scent & Care** segment reached € 1,311 million in the past fiscal year. This corresponds to an increase at local currency of 25% compared to the previous year, due in large part to the acquisition of the Pinova Group. Without Pinova, organic growth at local currency for the Scent & Care segment would have amounted to 5%. The **Flavor** segment was able to increase sales at local currency by 10% to € 1,016 mil-

3 In the 2016 fiscal year, acquisition and integration costs resulting from the purchase of the Pinova Group impacted the operating result. In the following section, we use normalized results (EBITN/EBITDAN, net income) for the 2016 fiscal year adjusted for these one-time specific influences. A detailed summary of special influences is supplied on page 111 of this report.

RECONCILIATION OF SPECIFIC INFLUENCES FROM THE PINOVA ACQUISITION TO EBITN/EBIT AND EBITDAN/EBITDA

€ million	EBIT 2015	EBIT 2016	EBITDA 2015	EBITDA 2016
Normalized presentation (before specific influences from Pinova Acquisition)	**395.2**	**423.3**	**572.2**	**625.2**
Inventory impairments	–	– 4.2	–	– 4.2
Integration costs	–	– 14.5	–	– 14.5
Total specific influences	**–**	**– 18.7**	**–**	**– 18.7**
of which cost of goods sold	–	– 10.8	–	– 10.8
of which selling and marketing expenses	–	– 2.3	–	– 2.3
of which research expenses	–	– 0.2	–	– 0.2
of which administration expenses	–	– 9.0	–	– 9.0
of which other operating income	–	3.5	–	3.5
after specific influences from the Pinova Acquisition	**395.2**	**404.6**	**572.2**	**606.6**

lion. Sales in the **Nutrition** segment amounted to € 576 million in the past fiscal year, representing an increase at local currency of 9 % compared to the previous year. Adjusting further for the portfolio effects, organic growth of the segment amounts to 10 %.

Regions: Sales in the **EAME** region were up 6 % (8 % at local currency). The **North America** region achieved sales growth of 28 % compared to the previous year due in large part to the Pinova Group acquisition (at local currency: 28 %). Business in the **Asia/Pacific** region also developed positively, with a sales increase of 9 % (at local currency: 11 %). Sales in the **Latin America** region increased by 7 % compared to the previous year (at local currency: 29 %).

Sales in emerging markets exceeded the previous year's figures at local currency by 15 %. The share of this group of countries in total sales was 43 % in the 2016 fiscal year. With the acquisitions in the 2016 fiscal year, this share of sales decreased by three percentage points compared to the previous year, as the acquired companies mainly generate their sales in developed markets.

Flavor Sales

The **Flavor** segment generated sales of € 1,016 million in the 2016 fiscal year. Compared to the previous year, this corresponds to growth of 4 %. At local currency the increase was 10 %. All regions considerably increased sales in the year under review. Leading this development was the Latin America region, where significant impetus for growth came from the Sweet and Savory business units in Argentina and Mexico.

In the Asia/Pacific region, Indonesia, Thailand and Vietnam posted particularly dynamic growth with a considerable increase being seen in the Beverages and Savory business units. The EAME region achieved a strong increase in sales in Russia, Sweden, Turkey and Spain. Here, the Beverages and Sweet business units posted especially good growth. The Sweet and Beverages business units were also the leading growth drivers in the US.

Nutrition Sales

In the 2016 fiscal year, the **Nutrition** segment generated sales of € 576 million. Compared to the previous year, this corresponds to growth of 5 %. At local currency the increase was 9 %. Excluding the portfolio effects, organic sales growth amounted to 10 % at local currency.

The greatest impetus for growth in the Diana division came from the Pet Food business unit, where all regions managed to expand their sales considerably. The strongest growth was generated in Latin America, particularly in Argentina, Brazil and Columbia. Similarly positive was the development in the EAME region, especially in Poland, France, Italy and Turkey. Sales performance in the Food business unit, however, was reserved, owing in large part to the sale of Compagnie Alimentaire Pleucadeucienne (CAP) pork specialties in the past year. The largest growth in the Food business unit was seen in the North America region with high growth with regional customers.

The Probi business unit also achieved high growth rates, partially due to the acquisition of the US company Nutraceutix via the Swedish company Probi AB.

Scent & Care Sales

In the 2016 fiscal year, the Scent & Care segment generated sales of € 1,311 million. Sales were therefore up 22 % on the previous year's level. At local currency, this corresponds to growth of 25 %. This includes Pinova Group sales of € 208 million. Without the Pinova contribution, the organic growth of the segment at local currency would have amounted to 5 %.

All of the segment's divisions posted positive sales developments in the year under review. The strongest growth was seen in the **Aroma Molecules** division, which is primarily due to the acquisition of the Pinova Group. Furthermore, the division generated high growth rates in the EAME and Asia/Pacific regions, particularly in Menthols and Fine Aroma Chemicals.

The **Cosmetic Ingredients** division generated solid, single-digit growth at local currency in 2016, especially in the Cosmetic Ingredients business unit, with global and regional customers mostly in the Asia/Pacific and Latin America regions. Particularly notable was the sales growth in the countries China, Japan, South Korea, Mexico and Brazil.

The **Fragrance** division also posted a solid, single-digit sales growth at local currency in the 2016 fiscal year. The highest growth rates were achieved in the Latin America region. Here, all business units expanded their sales substantially, particularly in the countries of Brazil, Mexico, Colombia and Argentina. In the Asia/Pacific and EAME regions, the Home Care and Oral Care business units showed particularly dynamic development. The highest growth rates for Asia were seen in China, India, Indonesia and South Korea and in Israel, Spain and Nigeria for the EAME region.

Development of Material Line Items in the Income Statement

On the whole, earnings performance was good in the 2016 fiscal year. As part of the acquisition of the Pinova Group, acquisition and integration costs of € 18.7 million were incurred in 2016. Furthermore, profit of € 3.5 million resulted from the disposal of Pinova Inc. on December 9, 2016. To simplify comparability with the previous year, the following contains a normalized result (EBITN/EBITDAN) without these one-time effects.

The **cost of goods sold** rose 15 % in 2016 to € 1,707 million and therefore increased disproportionately to sales. This was primarily due to the higher share of cost of goods sold from the Pinova Group. Gross profit increased 8 % and amounted to € 1,196 million (2015: € 1,112 million). The **gross margin** was 41.2 %, which puts its 1.5 percentage points lower than in the previous year (42.7 %). **Selling and marketing expense**s were up by 9 % compared to the previous year, amounting to € 467 million (2015: € 427 million). The increase compared to the previous year primarily relates to the inclusion of the Pinova Group in the consolidated financial statements. The share of selling and marketing expenses in Group sales amounted to 16.1 % (2015: 16.4 %). **R & D expenses** increased 10 % to € 186 million (2015: € 170 million). The R & D rate was therefore 6.4 % (previous year: 6.5 %) of sales. **Administration expenses** were nearly identical to the previous year at € 150 million (2015: € 149 million). Administration expenses as a share of Group sales amounted to 5.1 % in the year under review and therefore below the previous year's level of 5.7 %.

INCOME STATEMENT IN SUMMARY

€ million		2015	2016 *Normalized*	Change in %
Sales		2,601.7	2,903.2	12
Cost of goods sold		– 1,490.1	– 1,706.9	15
Gross profit		**1,111.6**	**1,196.2**	**8**
Gross margin	in %	42.7	41.2	
Selling and marketing expenses		– 426.9	– 466.5	9
Research and development expenses		– 169.6	– 186.0	10
Administration expenses		– 148.5	– 149.5	1
Other operating income		32.8	31.6	– 4
Other operating expenses		– 4.2	– 2.5	– 40
Income from operations/EBIT		**395.2**	**423.3**	**7**

Earnings Situation
Group: Normalized earnings before interest, taxes, depreciation and amortization (EBITDAN) were up 9 % in 2016 to € 625 million (2015 EBITDA: € 572 million). The **EBITDAN margin** was 21.5 % in the reporting year, compared to an EBITDA margin of 22.0 % from the previous year.

Scent & Care: Scent & Care generated an EBITDAN of € 257.8 million in 2016, which was significantly higher (+ 12 %) than the EBITDA of € 231.2 million in the previous year – mainly due to the inclusion of the Pinova Group. The EBITDAN margin therefore amounted to 19.7 %, compared to 21.5 % in 2015.

Flavor: EBITDA for the Flavor segment was significantly higher than last year (2015: € 218.9 million), amounting to € 233.8 million in 2016. The EBITDA margin amounted to 23.0 % and was therefore also significantly higher than in the previous year (2015 EBITDA margin: 22.3 %).

Nutrition: The Nutrition segment generated an EBITDA of € 133.7 million in 2016. This represents a 10 % increase on the previous year (2015: € 122.0 million). The excellent EBITDA margin of 23.2 % was also notably higher than in the previous year (2015 EBITDA margin: 22.3 %).

Financial result: The financial result of € – 45.9 million for 2016 represents a downgrade of € 1.6 million compared to 2015. A notable growth in the exchange gain (€ + 7.3 million) is offset by an impairment loss on an investment of € 2.2 million in the Nutrition segment and interest payments for the promissory note loan (€ 5.8 million). The net interest loss declined € 4.9 million year over year: from € – 44.5 million in 2015 to € – 49.4 million in 2016.

Taxes: In the 2016 fiscal year, tax expenses amounted to € 97.5 million (2015: € 98.5 million). The resulting tax rate of 27.2 % was down slightly compared with the previous year (28.1 %). An adequate provision for tax risk was made, as in previous years.

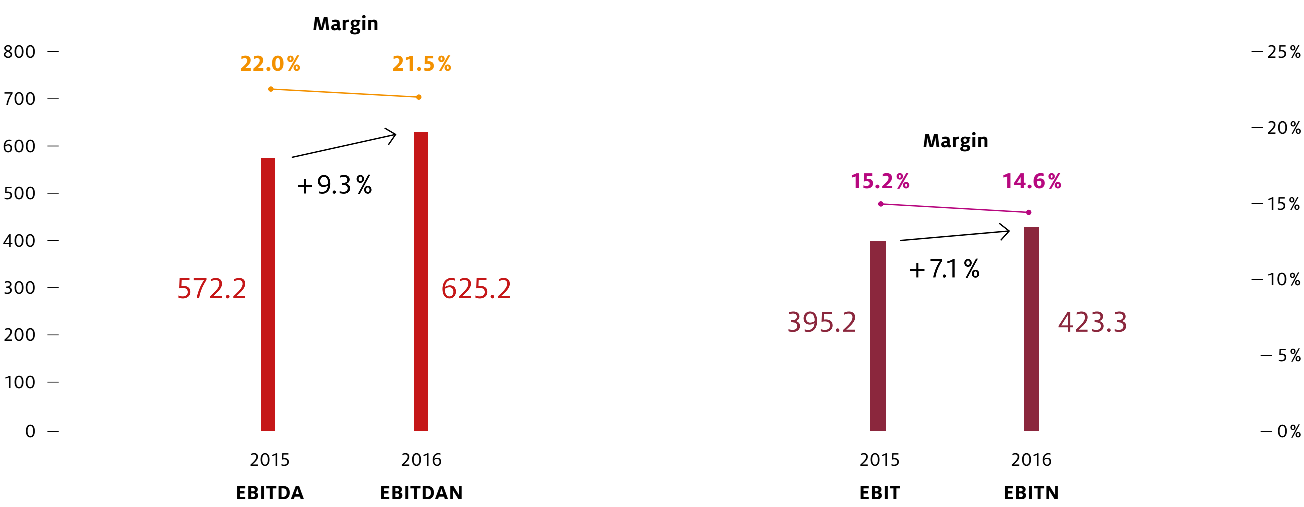
Net income and earnings per share: Net income adjusted for specific influences amounted to € 266 million and therefore was € 19 million or 8 % higher than the figure from the previous year. Normalized earnings per share rose by € 0.15 to € 2.05 (2015: € 1.90). Net income for 2016 including specific influences totals € 253 million, which corresponds to an earnings per share of € 1.95.

Dividend proposal for 2016: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.85 per share for the 2016 fiscal year at the Annual General Meeting on May 17, 2017. Symrise aims to continually achieve high yields for its shareholders and to enable shareholders to participate in the company's success by means of an appropriate dividend.

FINANCIAL POSITION

Financial Management
Main features and objectives: The Symrise Group's financial management pursues the aim of guaranteeing that the company's financial needs are covered at all times, of optimizing the financial structure and of limiting financial risks insofar

OVERVIEW OF EARNINGS, in € million / in %



as possible. Consistent, central management and the continuous monitoring of financial needs support these objectives.

In accordance with the Symrise Treasury department's guidelines, the financing of the Group is managed centrally. The financial needs of subsidiaries are ensured by means of internal Group financing within the framework of a cash pool, among other things. The surplus liquidity of individual European Group units is put into a central account, so that liquidity deficits of other Group units can be offset without external financing, and that internal financial capital can be used efficiently. If external credit lines are needed, they are safeguarded by guarantees from Symrise AG. The Group's financial liabilities are unsecured and connected to credit agreements (covenants) that are reviewed every quarter. The Group maintains good business relationships with a large number of banks and avoids becoming too dependent on individual institutes.

The Symrise Group safeguards against risks resulting from variable interest on financial liabilities by means of interest rate hedges, if need be. Here, the principle applies that interest derivatives can only be concluded on the basis of underlying transactions.

Symrise does business in different currencies and is thus exposed to currency risks. Exchange rate risks occur when products are sold in different currency zones than the ones in which the raw materials and production costs accrue. Within the framework of its global strategy, Symrise manufactures a large proportion of its products in the currency zones in which they are sold in order to achieve a natural hedge against exchange rate fluctuations. In addition, Symrise has implemented a risk management system, which, based on detailed cash flow planning, identifies open currency positions. These are hedged against fluctuations on a case-by-case basis.

With an equity ratio of 36 % as of December 31, 2016, Symrise has a solid foundation for driving future business development forward in a sustained manner.

Financing structure: The Symrise Group covers its financial needs from its strong cash flow from operating activities and via long-term financing. These continue to consist of the following elements: publicly listed bonds, US private placements, KfW borrowings, amortizing loans, bilateral bank borrowings as well as the newly arranged revolving credit facility from May 2015. Furthermore, the Group secured liquidity through issuing promissory notes to finance the acquisition of Pinova Group. These had a total volume of € 500 million and are distributed across three tranches with terms of five, seven and ten years. The first allocation of € 178 million was issued in 2015. The remaining portion of € 322 million was issued at the beginning of 2016.

Symrise fulfilled all of the contractual obligations resulting from loans (covenants) in the 2016 fiscal year.

In addition to the credit facility mentioned, bilateral bank credit lines for € 40 million exist to cover short-term payment requirements. The interest rates agreed on for the credit facility are at the accepted market rate.

Cash Flow and Liquidity Analysis

OVERVIEW OF CASH FLOW

€ million	2015	2016
Cash flow from operating activities	375.2	338.8
Cash flow from investing activities	– 151.4	– 311.0
Cash flow from financing activities	– 115.3	1.8
Cash and cash equivalents (Dec. 31)	278.2	**301.6**

Cash flow from operating activities amounted to € 338.8 million in 2016, € 36.4 million less than in the previous year (€ 375.2 million). The main reason for this was an increase in working capital, in part due to the purchase of Pinova Group. The operating cash flow rate relative to sales was therefore about 12 %.

Cash outflow from investing activities increased by € 159.6 million to € – 311.0 million. This was mainly due to the acquisition of the Pinova Group, minus the income from the sale of Pinova Inc. Furthermore, the cash flow from investing activities also contains the acquisitions of Scelta Umami BV, Nutra Canada Inc. and Nutraceutix.

In the 2016 fiscal year, a cash inflow from financing activities of € 1.8 million resulted on a net basis. A cash outflow of € – 115.3 million was posted in the previous year. Material components came from financing the acquisition of the Pinvoa Group and include the payment of the remaining portion of the promissory note loan of € 321.5 million and borrowings in the amount of € 154.5 million, which were immediately extinguished. Also included is the 2016 dividend paid out to shareholders for 2015 amounting to € 108.2 million, the regular extinguishing of current bank borrowings in the amount of € 43.8 million and net interest payments to financial institutes totaling € 38.4 million (previous year: € 32.6 million). All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The company has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 300 million that was extended for an additional year in May 2016 and that will now remain available until May 2021. Only € 5 million of this line has been utilized as of December 31, 2016.

Investments and Acquisitions

The Symrise Group invested € 168 million in intangible assets and property, plant and equipment in the 2016 fiscal year, after spending € 177 million in the previous year.

Around € 17 million was spent on intangible assets (2015: € 47 million). Here, the focus was on the registration of chemicals according to the European chemical directive (REACH), investments in software and patents as well as the assets acquired from Nutraceutix. Investments in property, plant and equipment amounted to approximately € 151 million (previous year: € 129 million). The largest investment projects consisted of the new power plant in Holzminden, a new research and development center in Singapore and production capacity expansions in all divisions. All of the projects were funded through operating cash flow. As of December 31, 2016, the Group had obligations to purchase property, plant and equipment amounting to € 65.5 million (December 31, 2015: € 43.9 million). This mainly relates to production facilities, hardware and office equipment. Most will come due during the course of 2017.

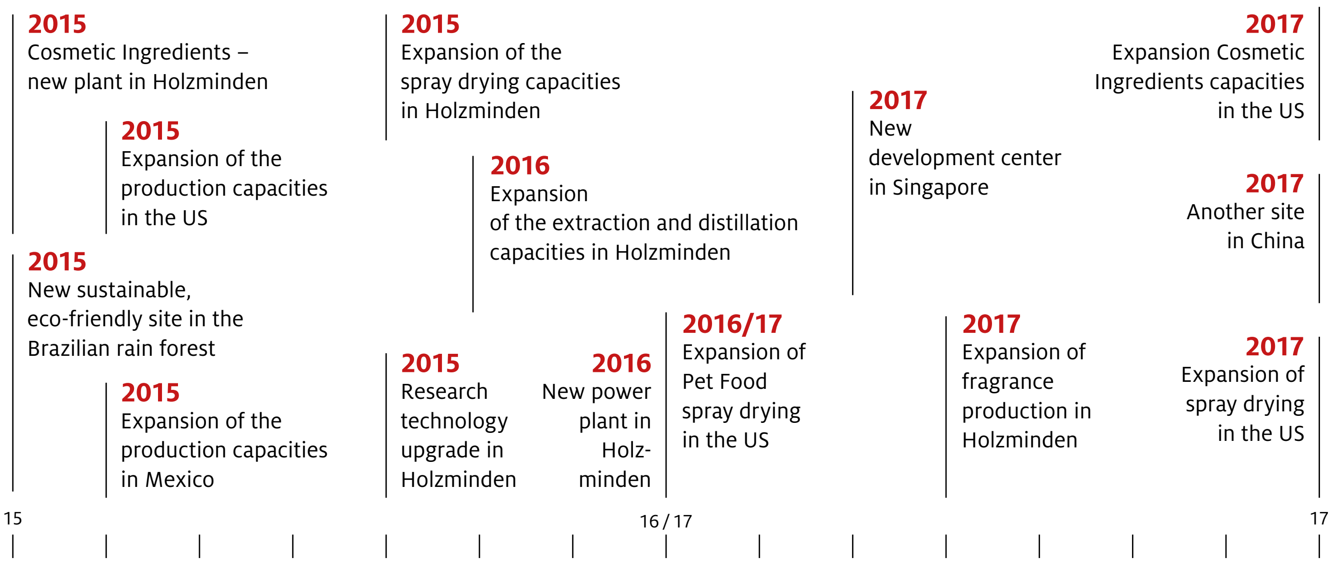
Symrise acquired the **Pinova** Group with locations in Brunswick, Colonel's Island (Georgia, USA) and Jacksonville (Florida, USA), in January 2016. The transaction volume was USD 412 million. The Pinova Group is a leading provider of ingredients from natural and renewable raw materials that are mainly used in the production of perfumes and fragrances as well as in oral care products.

Also in January 2016, Diana Naturals SAS, France, finalized a purchase contract for the acquisition of 60 % of the shares in **Scelta Umami Holding BV**, which is the parent company of the operating company Scelta Umami BV. Both are located in the Netherlands. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio of the Nutrition segment. The purchase price amounted to € 8.2 million.

In May 2016, Diana Food Canada Inc. (Canada), a subsidiary of Diana Naturals SAS (France), finalized a purchase contract on the acquisition of all shares in **Nutra Canada Inc.** (Canada). Nutra Canada Inc. specializes in fruit and plant extracts from natural ingredients such as cranberries or spinach. The company produces, supplies and markets dry powders and plant extracts and thereby supplements the portfolio of natural, health-promoting substances in the Consumer Health business unit in the Nutrition segment. The purchase price amounted to € 4.3 million.

In October 2016, Probi USA Inc. (hereinafter: Probi) acquired the business operations of the company previously known as **Nutraceutix** from TnTGamble Inc., USA, via an asset deal.

INVESTMENTS 2015 TO 2017



Nutraceutix has two locations, in Washington state and Colorado, USA, and is one of the largest producers and suppliers of probiotics in North America with both domestic and international customers (end customers and B2B customers). The acquisition provides Probi with significantly expanded capacities and an improved market presence while facilitating its growth. Furthermore, Probi now has access to important new technologies and has established a strong platform for contributing to the future growth of the Nutrition segment. The preliminary purchase price amounts to € 106.5 million.

In the course of its continuous portfolio optimization, Symrise made the decision in the third quarter of 2016 to sell the industrial division of the recently acquired Pinova Group. The unit operating under the brand name Pinova, with product solutions for technical applications such as adhesives, paints and coatings as well as the tire and construction industry was purchased by DRT (Dérivés Résiniques et Terpéniques), a French company specializing in the processing of resins and turpentine extracted from pine. The preliminary purchase price amounts to USD 140.5 million. The transaction was completed on December 9, 2016.

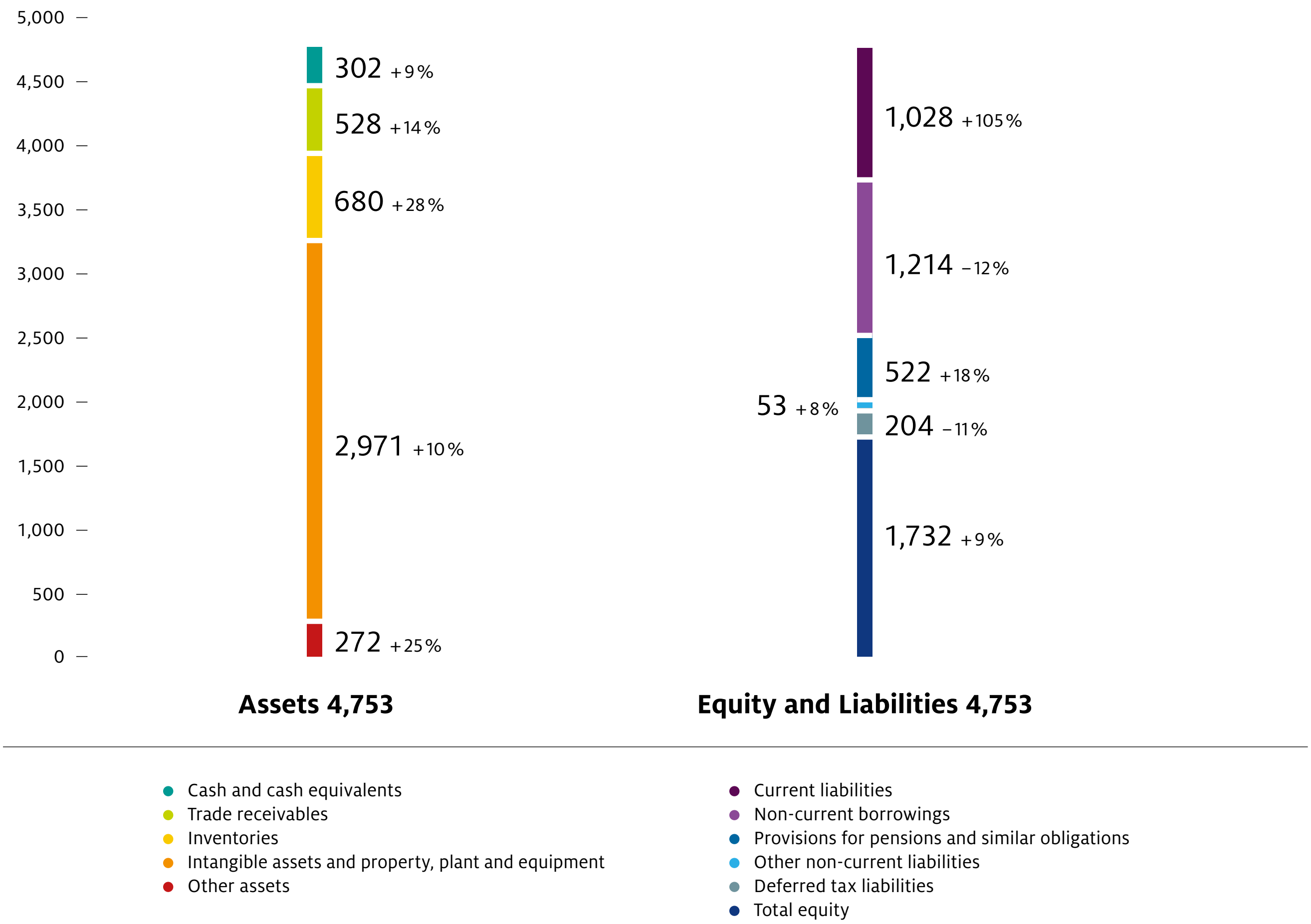
Symrise will, however, maintain the activities from the former Renessenz from the Pinova Group acquisition. These were completely integrated in the Aroma Molecules division during the year under review.

NET ASSETS

Select Line Items in the Statement of Financial Position

Total assets as of December 31, 2016, increased by € 569 million to € 4,753 million compared to the previous year (December 31, 2015: € 4,184 million). This mainly resulted from the assets and liabilities obtained via the acquisition of the Pinova Group as well as from a further expansion of working capital.

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2016, in € million
(Change compared to previous year's reporting date, in %)



Intangible assets amounted to € 2,113 million at the end of the 2016 reporting period and therefore were slightly above the previous year (December 31, 2015: € 2,005 million). The item accounts for 44 % of assets. Intangible assets include goodwill acquired through business combinations amounting to € 1,273 million (December 31, 2015: € 1,124 million), as well as formulas, technologies, customer bases, trademarks, software, patents and other rights amounting to € 840 million (December 31, 2015: € 881 million). **Property, plant and equipment** amounted to € 857 million at the end of 2016 (December 31, 2015: € 690 million) and mainly contains land and buildings as well as plants and machinery. Compared to the previous year (December 31, 2015: € 531 million), **inventories** increased € 149 million to € 680 million. The increase in inventories was primarily driven by the continued rise in sales and by the already mentioned acquisition of the Pinova Group, which also led to higher **trade receivables** (€ 528 million; December 31, 2015: € 462 million) and **trade payables** (€ 254 million; December 31, 2015: € 235 million) as of the end of the reporting period. The ratio of working capital to sales rose four percentage points to 33 % compared with the end of the previous year. Symrise Group's **cash and cash equivalents** amounted to € 302 million as of December 31, 2016 (December 31, 2015: € 278 million). In the course of selling Pinova Inc. in December 2016, higher cash equivalents were available as of the reporting date, which were placed in an interest-generating term deposit.

The increase in liabilities is primarily due to a further payment of the promissory note loan and the corresponding increase in financial liabilities. **Current liabilities** were higher than in the previous year (€ 1,028 million; December 31, 2015: € 501 million), though **non-current liabilities** decreased (€ 1,993 million; December 31, 2015: € 2,094 million). Due to comparatively lower interest rates, **provisions for pensions and similar obligations** increased from € 445 million to € 523 million (interest rate for Germany: 1.6 %, December 31, 2015: 2.4 %).

Equity attributable to shareholders of Symrise AG as of December 31, 2016, amounted to € 1,672 million (December 31, 2015: € 1,568 million). A dividend of € 104 million was paid out in 2016 for the 2015 fiscal year. As of the end of the 2016 reporting period, the equity ratio, including minority interests, was 36.4 % (December 31, 2015: 38.0 %).

Net Debt

€ million	2015	2016
Borrowings	1,409.3	1,749.8
Cash and cash equivalents	– 278.2	– 301.6
Net debt	**1,131.1**	**1,448.2**
Provisions for pensions and similar obligations	444.6	522.6
Net debt including provisions for pensions and similar obligations	**1,575.7**	**1,970.8**

The evaluation of compliance with the leverage covenants for the current and non-current borrowings is performed on the basis of the specifications in the various credit agreements. The evaluation to determine the leverage covenants uses the ratio of net debt to the EBITDAN of the last 12 months. This results in a ratio of net debt/EBITDAN of 2.3, which is relevant for the credit agreements. The ratio of net debt including provisions for pensions and similar obligations/EBITDAN amounts to 3.1.

We target a capital structure that allows us to cover our future potential financing needs at reasonable conditions by way of the capital markets. This provides us with a guaranteed high level of independence, security and financial flexibility. We will continue our earnings-oriented dividend policy and give our shareholders an appropriate share in the company's success. Furthermore, it should be ensured that solid financing options can accompany acquisition opportunities.

CAPITAL STRUCTURE

	2015		2016		
€ million		*in % of total equity and liabilities*		*in % of total equity and liabilities*	Change in %
Equity	1,588.2	38	1,732.2	36	+ 9
Current liabilities	501.4	12	1,027.9	22	+ 105
Non-current liabilities	2,094.2	50	1,992.7	42	– 5
Liabilities	2,595.6	62	3,020.6	64	+ 16
Total assets	**4,183.8**	**100**	**4,752.8**	**100**	**+ 14**

Significant obligations not reflected on the balance sheet exist in the form of obligations for the purchase of goods amounting to € 150.0 million (2015: € 138.5 million) and obligations regarding the purchase of property, plant and equipment amounting to € 65.5 million (2015: € 43.9 million). Symrise AG has service contracts with various providers regarding the outsourcing of its internal IT. Some of these service contracts already existed in previous years and were expanded in 2016. The remaining total obligation toward these service providers amounts to € 55.5 million (2015: € 22.7 million), accounting for extraordinary termination rights.

General Statement on the Company's Economic Situation

The Executive Board regards the Symrise Group's economic situation as positive. In 2016, the Group managed to once again substantially increase its sales with sustained high profitability. The company's financing is secured for the medium term. This holds true even when accounting for the acquisition of the US-based Pinova Group in January 2016 and the partial sale of Pinova Inc. Pending the passing of the resolution at the Annual General Meeting, Symrise AG shareholders will partake in the company's success by receiving a higher dividend than in the previous year.

Outlook

FUTURE CORPORATE DEVELOPMENT

For 2017, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market for fragrances and flavors. According to our own estimates and corporate data, the AFF market is expected to grow by around 3 % worldwide in the current year. All segments, Scent & Care, Flavor and Nutrition, continue to expect sales growth at local currency notably above the market rate.

The strict cost management and focus on high-margin business will be continued to further increase earnings. This includes initiatives to reduce complexity and the development of innovative, sustainable products and technologies. Assuming that raw materials prices remain at the level of 2016 and exchange rates do not change significantly from 2016, for 2017 the company once again anticipates an EBITDA margin of roughly 20 % in all segments. Without the effects from possible acquisitions, the ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be somewhere between 2.5 and 2.8 in 2017. In the medium term, the company is aiming for a return to the debt range of 2.0 to 2.5.

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

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

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

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

At the start of 2016, Symrise acquired new competencies and products that will substantially enhance its competitive position in the creation of perfume compositions through its acquisition of sensory and terpene ingredients from the Pinova Group. Symrise aims to grow primarily organically, however. Where it is sensible and creates added value, the Group will make acquisitions or forge strategic alliances to ensure access to new technologies, new markets and customers and ensure that it can obtain sustainable, renewable raw materials.

Corporate Governance Statement

The Corporate Governance Statement has been made available on Symrise AG's website at **www.symrise.com/investors/corporate-governance/corporate-governance-statement-and-corporate-governance-report**.

Consolidated Income Statement with a Separate Presentation of the Special Influences for the 2016 Fiscal Year

T€	2015	2016 Normalized	Special influences*	2016
Sales	2,601,730	2,903,187	0	2,903,187
Cost of goods sold	– 1,490,141	– 1,706,944	– 10,774	– 1,717,718
Gross profit	**1,111,589**	**1,196,243**	**– 10,774**	**1,185,469**
Selling and marketing expenses	– 426,912	– 466,530	– 2,261	– 468,791
Research and development expenses	– 169,640	– 185,980	– 172	– 186,152
Administration expenses	– 148,484	– 149,502	– 8,990	– 158,492
Other operating income	32,818	31,568	3,522	35,090
Other operating expenses	– 4,159	– 2,475	0	– 2,475
Income from operations/EBIT	**395,212**	**423,322**	**– 18,674**	**404,649**
Financial income	4,541	4,186		4,186
Financial expenses	– 48,860	– 47,835	– 2,224	– 50,059
Financial result	**– 44,319**	**– 43,649**	**– 2,224**	**– 45,873**
Earnings before income taxes	**350,893**	**379,673**	**– 20,898**	**358,776**
Income taxes	– 98,504	– 105,263	7,741	– 97,522
Net income	**252,389**	**274,411**	**– 13,157**	**261,254**
of which attributable to shareholders of Symrise AG	246,778	265,867	– 13,157	252,710
of which attributable to non-controlling interests	5,611	8,544	0	8,544
Earnings per share (€)				
- diluted and basic	1.90	2.05		1.95

* One-time effects include the one-time non-recurring specific influences from transaction and integration costs as well as one-time valuation effects related to the Pinova acquisition. Furthermore, the amortization on an investment is contained in financial expenses. The special Influences have an impact on the Scent & Care segment in the amount of T€ 18,674 and T€ 2,224 on the Nutrition segment.

Consolidated Statement of Financial Position

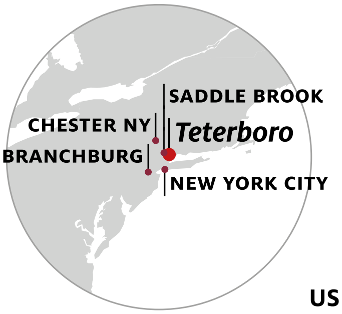
T€	December 31, 2015	December 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents	278,178	301,648
Trade receivables	461,505	528,298
Inventories	531,446	680,431
Other assets and receivables	74,027	71,797
Financial assets	9,088	29,147
Income tax assets	23,252	23,567
	1,377,496	**1,634,888**
Non-current assets		
Intangible assets	2,005,489	2,113,200
Property, plant and equipment	690,135	857,378
Other assets and receivables	16,808	19,001
Financial assets	15,694	23,575
Investments in associated companies	0	2,000
Deferred tax assets	78,210	102,805
	2,806,336	**3,117,959**
TOTAL ASSETS	**4,183,832**	**4,752,847**

Consolidated Statement of Financial Position

T€	December 31, 2015	December 31, 2016
LIABILITIES		
Current liabilities		
Trade payables	234,702	254,383
Borrowings	35,995	536,336
Other liabilities	152,223	153,276
Other provisions	7,064	14,394
Other financial liabilities	5,573	11,968
Income tax liabilities	65,869	57,553
	501,426	**1,027,910**
Non-current liabilities		
Borrowings	1,373,260	1,213,545
Other liabilities	5,180	6,932
Other provisions	22,208	22,462
Provisions for pensions and similar obligations	444,652	522,552
Other financial liabilities	7,094	11,349
Deferred tax liabilities	227,848	203,956
Income tax liabilities	13,929	11,967
	2,094,171	**1,992,763**
TOTAL LIABILITIES	**2,595,597**	**3,020,673**
EQUITY		
Share capital	129,813	129,813
Capital reserve	1,375,957	1,375,957
Reserve for remeasurements (pensions)	– 136,389	– 181,633
Cumulative translation differences	– 62,707	– 62,520
Accumulated profit	259,210	408,111
Other reserves	2,448	2,316
Symrise AG shareholders’ equity	**1,568,332**	**1,672,044**
Non-controlling interests	19,903	60,130
TOTAL EQUITY	**1,588,235**	**1,732,174**
LIABILITIES AND EQUITY	**4,183,832**	**4,752,847**

Global Locations

- Global Headquarters
- Regional Headquarters
- Symrise Sites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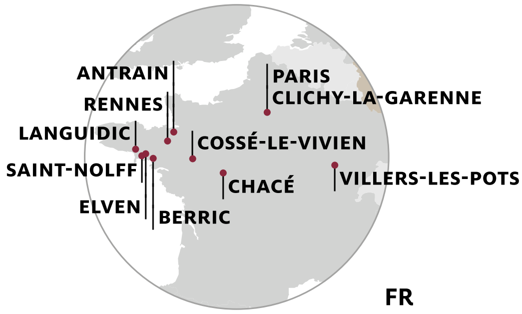
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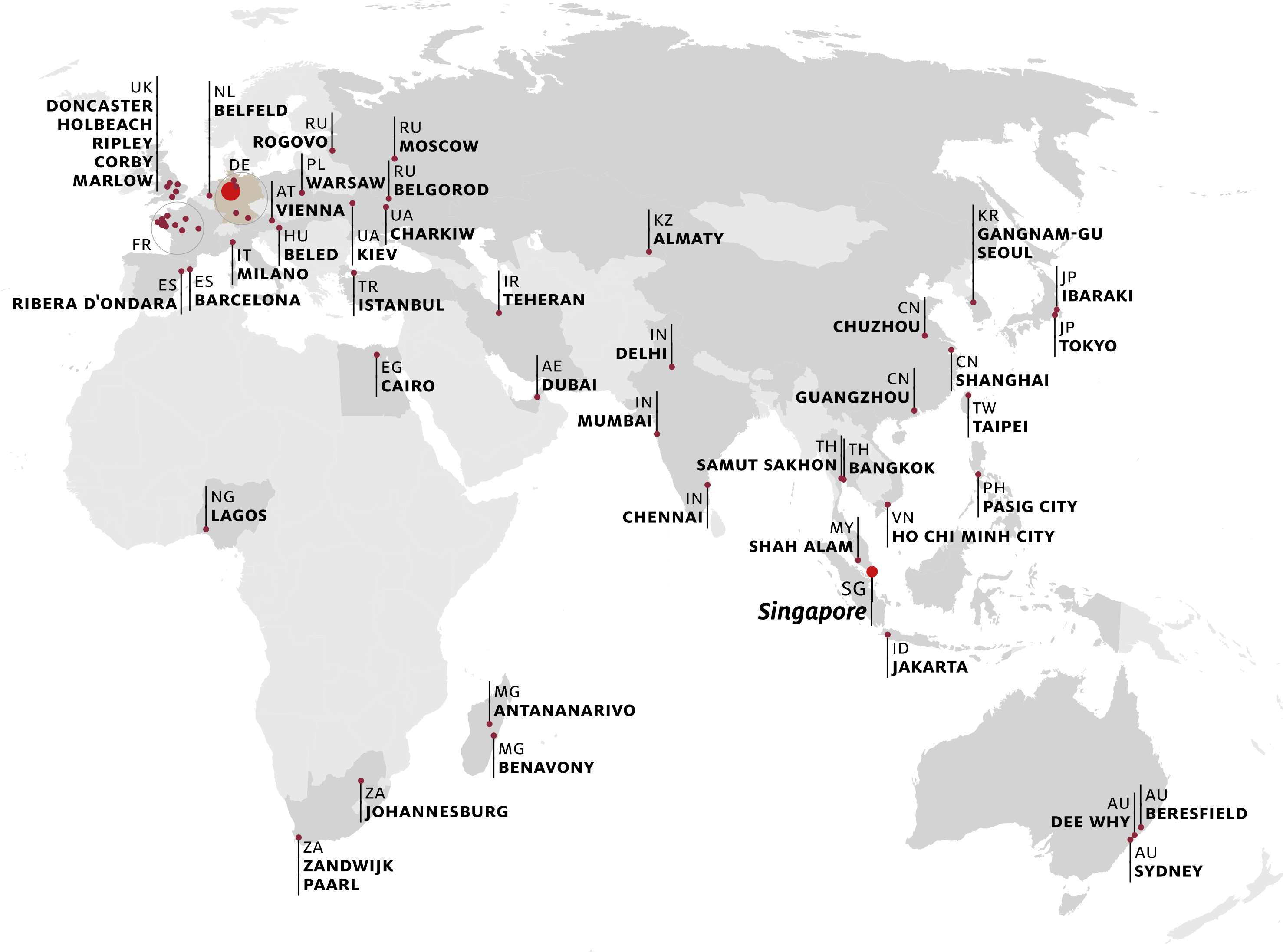
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Financial Calendar 2017

March 14, 2017
Corporate and Financial Report 2016

May 9, 2017
Quarterly Statement January – March 2017

May 17, 2017
Annual General Meeting, Holzminden

August 9, 2017
Interim Group Report January – June 2017

November 8, 2017
Quarterly Statement January – September 2017

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