



symrise
always inspiring more...

CORPORATE REPORT 2012

Sharing values

Key Figures of the Group

		2008	2009	2010	2011	2012
Business						
Sales	€ million	1,319.9	1,362.0	1,571.9	1,583.6	1,734.9
EBITDA	€ million	262.5	245.6	331.2	315.9	338.9
EBITDA margin	in %	19.9	18.0	21.1	20.0	19.5
EBIT	€ million	187.0	163.0	244.4	234.4	252.6
EBIT margin	in %	14.2	12.0	15.5	14.8	14.6
Net income	€ million	90.4	84.3	133.5	146.5	157.5
Balance sheet total (as of December 31)	€ million	1,890.6	1,895.2	2,059.0	2,120.3 ¹	2,151.9
Capital ratio (as of December 31)	in %	34.3	36.4	40.9	40.9 ¹	40.7
Investments	€ million	52.5	56.7	70.5	67.3	70.3
Net debt (incl. pension provisions and similar obligations) / EBITDA (as of December 31)	ratio	3.2	3.1	2.2	2.4 ¹	2.4
Research and development expenses	€ million	86.2	95.7 ²	107.9	107.6	113.8
Operating cash flow	€ million	153.1	225.7	235.1	200.9	219.5
Capital Market						
Shares issued as of balance sheet date	millions	118.2	118.2	118.2	118.2	118.2
Share price at end of fiscal year (Xetra® closing price)	in €	9.98	14.98	20.53	20.62	27.12
Market capitalization at end of fiscal year	€ million	1,179.4	1,770.2	2,426.1	2,436.7	3,204.9
Earnings per share	in €	0.76	0.71	1.13	1.24	1.33
Dividend per share	in €	0.50	0.50	0.60	0.62	0.65 ³
Environment						
Carbon dioxide emissions (Scope 1 and 2) ⁴	kg	864.0	832.0	807.0	796.4 ⁵	763.6
Direct and indirect energy consumption ⁴	GJ	9.7	9.3	9.1	8.9 ⁵	8.7
Waste ⁴	kg	113.3	116.9	131.6 ⁵	130.4 ⁵	117.5
Water consumption ⁴	cbm	13.8	13.1	12.1	12.0 ⁵	11.8
Wastewater ⁴	cbm	12.8	12.3	11.4	11.2	10.3
Employees						
Employees (as of December 31)	FTE ⁶	5,097	4,954	5,288	5,434	5,669
Fluctuation rate	in %	6.0	4.4	5.1	5.5	5.3
Number of accidents	MAQ ⁷	5.7	7.0	5.0	3.2	5.3
Accident severity	USQ ⁸	85	63	55	43	99

¹ Adjusted as a result of changes to accounting policies in 2012 (see note 2.2)

² 2009 including restructuring expenditure

³ proposal

⁴ per ton of product sold

⁵ Due to a change in the calculation method, the figures for previous years have been adjusted. However, the underlying trend remains unchanged.

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

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

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

Business Divisions

Among the customer industries of our fragrances and flavors are the perfume, cosmetics and food industries, as well as household products' suppliers. We are continually growing our activities in the nutrition and body care sectors on the basis of biofunctional and bioactive ingredients.

Flavor & Nutrition



Our customers use the flavors we produce in liquid, powder, granulated or paste form to make food and beverages. Our flavors give the products distinct tastes. We provide individual flavors or complete solutions, which, apart from the actual aroma, can contain additional functional raw materials, colorants or microencapsulated components. With functional natural ingredients, the Consumer Health application area caters to the functional food supplement and pharmaceutical preparation markets.

- BEVERAGES
- SAVORY
- SWEET
- CONSUMER HEALTH



Fragrances

Perfumers create complex fragrance compositions (perfume oils) by combining a number of aromatic raw materials and essential oils. Symrise's perfume oils are used in perfumes (Fine Fragrances), in body care products (hair care products, washing lotions, skin creams, deodorants) and household products (washing and cleaning products).

- FINE FRAGRANCES
- PERSONAL CARE
- HOUSEHOLD



Scent & Care



Aroma Molecules These products, which exist in liquid or crystalline form, are used in various applications. Nature-identical menthol is used in oral care products, chewing gums and shower gels. Symrise uses uniform aroma chemicals (intermediate products for perfume oils) to produce its own perfume oils and sells them to customers who use them in their perfume oils.

- SENSATES (MENTHOLS)
- SPECIAL FRAGRANCE & FLAVOR INGREDIENTS
- FINE AROMA CHEMICALS



Life Essentials

The products manufactured by this business unit are used in skin care products, hair care products, suntan lotions, aftershave balsams, shower gels, washing lotions, shampoos and deodorants. The unique feature of Life Essentials' activities is the combination of conventional body care products and plant-based bioactive ingredients.

- COSMETIC INGREDIENTS
- ACTIVE INGREDIENTS
- FUNCTIONALS
- BOTANICALS
- UV-FILTER



Oral Care

Symrise offers the entire range of mint flavors and intermediate products for toothpaste, oral care products and chewing gum.



About This Report

Symrise has made fundamental changes to its reporting for the 2012 fiscal year when compared to the reporting system used for 2011. This corporate report provides a holistic depiction of Symrise's performance in 2012 – both from a business perspective as well as from a sustainability standpoint. The financial report for 2012, which contains the complete consolidated financial statements, the Group management report and all other legally required elements, is provided as a supplement to this corporate report and can be viewed electronically or ordered in print form at www.symrise.com/en/investor-relations. The auditor's report refers solely to the parts of the financial report that are relevant for certification and, likewise, is only reflected therein.

Symrise published its first corporate social responsibility report, entitled *We Have the Future in Mind*, in 2006, and we have since published a report on our sustainability activities every year. With the 2012 corporate report, we have decided to stop publishing separate financial and sustainability reports and are moving in the direction of integrated reporting. In doing so, we are keeping up with the continuously progressing integration of sustainability into our business model. The aim is to inform readers about how Symrise achieves lasting added value for all of the company's relevant stakeholders by means of its activities. Our report addresses customers, employees and investors along with our other stakeholders and invites them to take part in a dialogue with Symrise.

The 2012 Symrise corporate report will be published on March 12, 2013, and will be available in English and German. The environmental data contained in the report relates solely to production sites. All other data, unless stated otherwise, relates to the Symrise Group, which consists of the parent company Symrise AG and the companies that it has under its control (subsidiary companies). The publication date of the corporate report for the 2013 fiscal year is March 11, 2014. In addition, current coverage of the company's activities can be found at www.symrise.com.

Sharing values

The people at Symrise share common values. We constantly strive for economic success while assuming responsibility for the environment, our employees and society at large. By taking into account the requirements of various stakeholders at all stages of the value creation process, we are creating value for all. Sustainability is an integral part of our business model and we view it as a clear competitive advantage. It helps ensure the long-term success of our company.

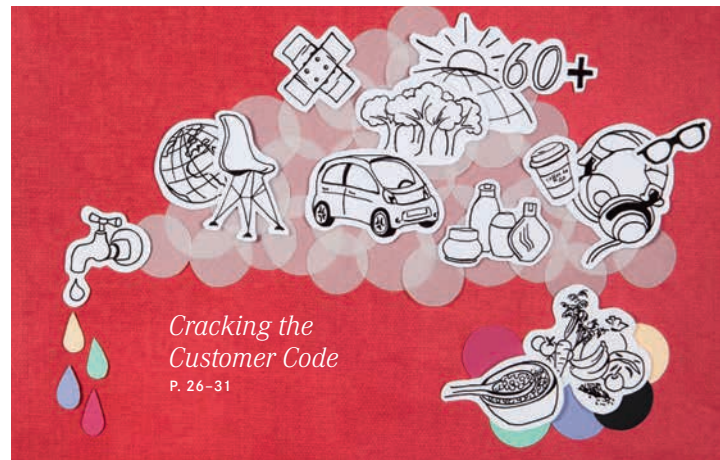
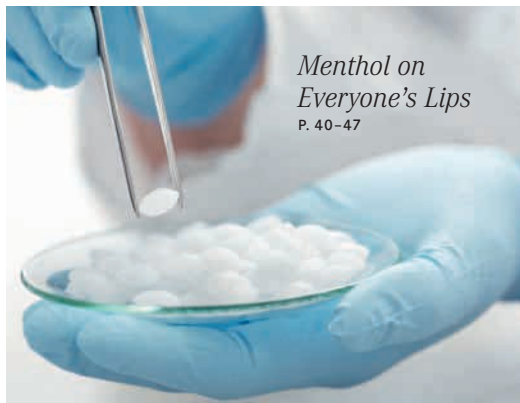
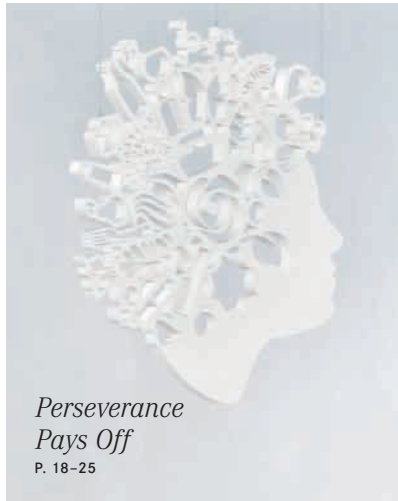


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Dear Readers, Dear Friends of Symrise,

Symrise is on a successful path. This statement applies as much to the 2012 fiscal year as to the long-term, sustainable commitment of the company in the areas of the environment, employee issues, society and the economy. Delivering sustainable added value and profitable growth are key to our entrepreneurial activity. The motto of our 2012 corporate report, "Sharing Values," expresses this conviction.

Symrise does not pursue a sustainability strategy – rather, our company's entire strategy is designed to be sustainable. Sustainability is an integral part of our objectives and all of our corporate activities. For this reason, we decided in 2012 to stop publishing separate financial and sustainability reports and move in the direction of integrated reporting with the 2012 corporate report.

Once again, 2012 was a successful year for Symrise – in many ways. We increased Group sales by 10 % to € 1,735 million. This means that, over the past five years, our commercial performance has improved by a total of 36,1 %. With an EBITDA margin of 19.5 %, Symrise is one of the most profitable companies in this industry worldwide. At the end of 2012, the Symrise share closed at € 27.12. It thus closed the year up 31.5 % from the previous year and near its all-time high.

The long-term, sustainable success of Symrise is based on the three pillars of a global presence, efficiency and portfolio diversification. Our aim is to continue to grow faster than the market in years to come by harnessing megatrends. Increasing numbers of people are moving to urban centers, where they also continue to grow older, while the emerging markets are rapidly improving their overall prosperity and standards of living. Nearly 50 % of our sales are already generated in the emerging markets and we will continue to increase this figure in the coming years. At the same time, we are solidifying our excellent position in the industrialized nations of Europe and North America. We will create a broad and balanced customer portfolio to maintain this growth in the future as well. Our goal is to continue growing together with both large multinational customers as well as with regional and local accounts.

Our growth course is accompanied by our ongoing efforts in the area of sustainable corporate governance. In December, Symrise received the German Sustainability Award 2012 for the sourcing of vanilla in Madagascar. We see this award as yet another confirmation of our strategy. For years, we have been working closely with local vanilla farmers, ensuring our access to high-quality, sustainably grown vanilla. Furthermore, Symrise signed the Global Compact of the United Nations in 2012, thereby explicitly committing itself to the principles of the most important voluntary global initiative for corporate social and environmental responsibility.

The Executive Board



ACHIM DAUB
Head of Scent & Care

- Member of the Executive Board since November 2006
- Appointed until 2013
- Born 1962

BERND HIRSCH
Chief Financial Officer

- Member of the Executive Board since December 2009
- Appointed until 2015
- Born 1970

DR. HEINZ-JÜRGEN BERTRAM
Chairman of the Executive Board and Labor Director since July 2009

- Member of the Executive Board since November 2006
- Appointed until 2017
- Born 1958

HANS HOLGER GLIEWE
Head of Flavor & Nutrition

- Member of the Executive Board since November 2009
- Appointed until 2015
- Born 1959

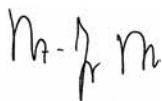
Our measures to achieve continuous efficiency improvements are also proving effective. We were able to further reduce the impact of our production activities on the environment. For instance, our energy consumption and CO₂ emissions per product unit sold in 2012 were 4.2 % and 5.4 % below 2010 levels, respectively.

An increasing number of people are placing a higher level of importance on health and well-being. We are accommodating this trend with a diverse product portfolio, in particular with our Life Essentials and Consumer Health business units. With these different application areas, Symrise sets itself apart from the competition in a unique way. In addition, we create added value for our customers through our comprehensive understanding of product development.

Our perspective is always a long-term one. That is why Symrise invested heavily in the future in 2012: We doubled our menthol production capacities, built a new research center and expanded our business activities in Brazil. In the coming years, we will build a new power station with cogeneration capabilities in Holzminden, with which we will be able to generate 30 % of our own electricity needs, as well as continue to expand the production facilities of both business divisions – in places like Shanghai, Singapore and Madagascar. And we will continue to invest in the training and continuing professional development of our employees, who are the ones that make Symrise's success possible. Their dedication will carry Symrise into the future.

Symrise is energetically pushing ahead with its profitable growth course and aiming for ambitious goals. This year, we once again plan to grow faster than the market for fragrances and flavors, which is projected to grow between 2 and 3 %. We also want to maintain our high profitability with an EBITDA margin of about 20 %. Aside from the challenges that lie before us, we can already look at the year 2013 with a sense of pride: Symrise is celebrating its ten-year anniversary. Ten years of intensive work and successful business lie behind us.

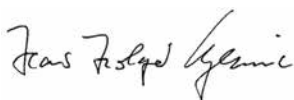
For this, we would like to thank all of Symrise's partners, friends and employees. Join us on our path toward sustainable value creation now and in the future.



Dr. Heinz-Jürgen Bertram



Achim Daub



Hans Holger Gliewe



Bernd Hirsch



“Symrise is pursuing a course of sustainable value creation. We create our objectives and our corporate strategy for the long term and align them with global megatrends. We consistently incorporate environmental, business partner, employee and social concerns at every stage of value creation when performing our business activities. In this way, we achieve results that we all can be proud of.”

Dr. Heinz-Jürgen Bertram, Chairman of the Executive Board



“Symrise will celebrate its ten-year anniversary in 2013. The company has been listed on the stock exchange since 2006 and our stock has been represented in the MDAX® index since 2007. The stock exchange value of Symrise has increased by almost € 1.2 billion since its IPO. This is testament to how much the company is valued on the capital market as a result of its coherent and sustainable strategy, operational success and reliable and confidence-building communication.”

Bernd Hirsch, Chief Financial Officer



“Health and well-being are of the utmost importance to consumers. On top of this comes the increasing demand for products created in an ethical and environmentally friendly way. Symrise has picked up on these requirements: We focus our research and development activities on new functional ingredients for innovative taste solutions. Moreover, we are pushing ahead with our responsible backward integration for key raw materials and observe strict sustainability criteria across the entire value creation chain.”

Hans Holger Gliewe, Head of Flavor & Nutrition



“We aim to create tangible added value for our customers with our products, which lift them above the competition. This requires in-depth knowledge of consumer wishes, a high level of innovation and an integrated understanding of sustainability. Symrise has a unique product portfolio, making us the preferred partner for our customers.”

Achim Daub, Head of Scent & Care

Business Activities and Structure

PROFILE

Symrise develops, produces and sells fragrances and flavors as well as ingredients for cosmetics. In addition, we provide bio-functional and bioactive ingredients and substances as solutions in the health and personal care application areas. A substantial part of our added value consists of developing products with additional benefits. Examples include flavorings that enable the sugar or salt content of foods to be reduced, or a moisturizing cosmetic ingredient that lowers the proportion of preservatives in care products. Our customers include large, multinational companies as well as important regional and local manufacturers of foods, beverages, perfumes, cosmetics, personal care products, cleaning and washing products as well as the pharmaceutical industry and manufacturers of food supplements.

In 2012, Symrise achieved sales of more than € 1.7 billion, making it the fourth-largest company in the global flavor and fragrances market. The company sells its products in 160 countries. In 2012, Symrise generated 52 % of sales in industrial countries in Western Europe, North America and parts of Asia. The number of customers served by Symrise totaled over 6,000 in 2012. A total of 48 % of our sales were achieved in the so-called emerging markets in Asia, Latin America, Africa, the Near and Middle East and Eastern Europe. Around 5,700 people work at Symrise Group. With sites in 36 countries, we have a local presence in our most important sales markets.

The Symrise Group was created by a merger between the German companies Haarmann & Reimer and Dragoco in 2003. The company will thus be celebrating its 10th anniversary in 2013. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock

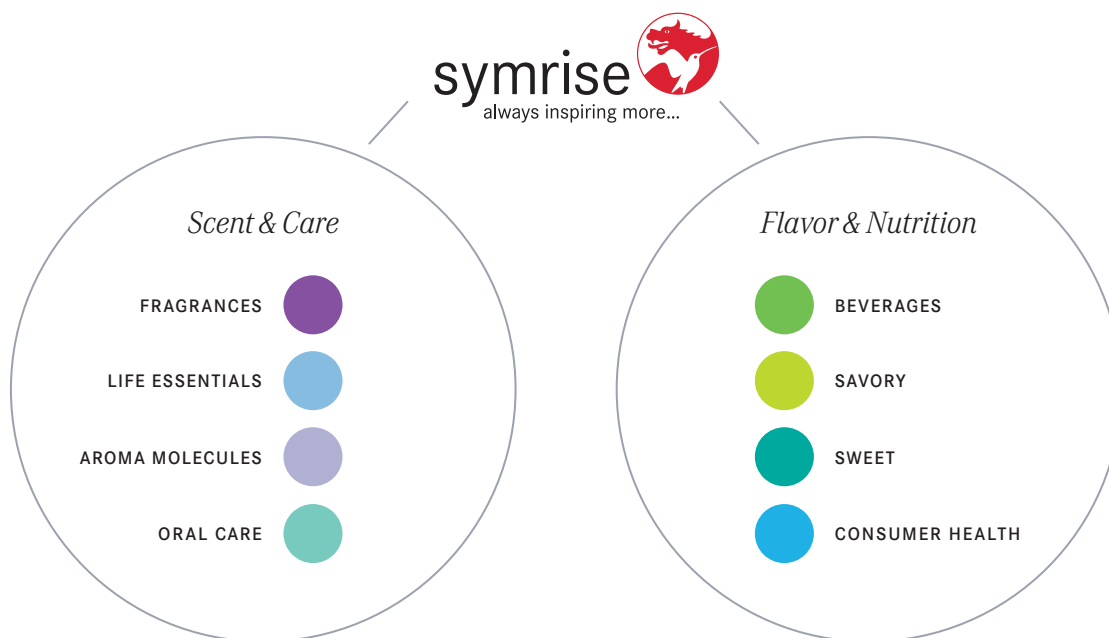
market with its initial public offering (IPO). Since then, Symrise stock has been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 3.2 billion at the end of 2012, Symrise stock is listed on the MDAX® index.

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

STRUCTURE

Both business divisions Scent & Care und Flavor & Nutrition are responsible for our operating business. They each have their 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. Both business divisions are organized into four regions with separate regional managements: Europe, Africa and the Near and Middle East (EAME), North America, Asia/Pacific, and Latin America. Their activities extend across several business units and application areas. In addition, the Group has a Corporate Center which encompasses the central areas of finance and controlling, corporate communications, investor relations, legal affairs, human resources, corporate compliance, internal auditing and global process design in order to exploit cross-business synergies.

CORPORATE STRUCTURE

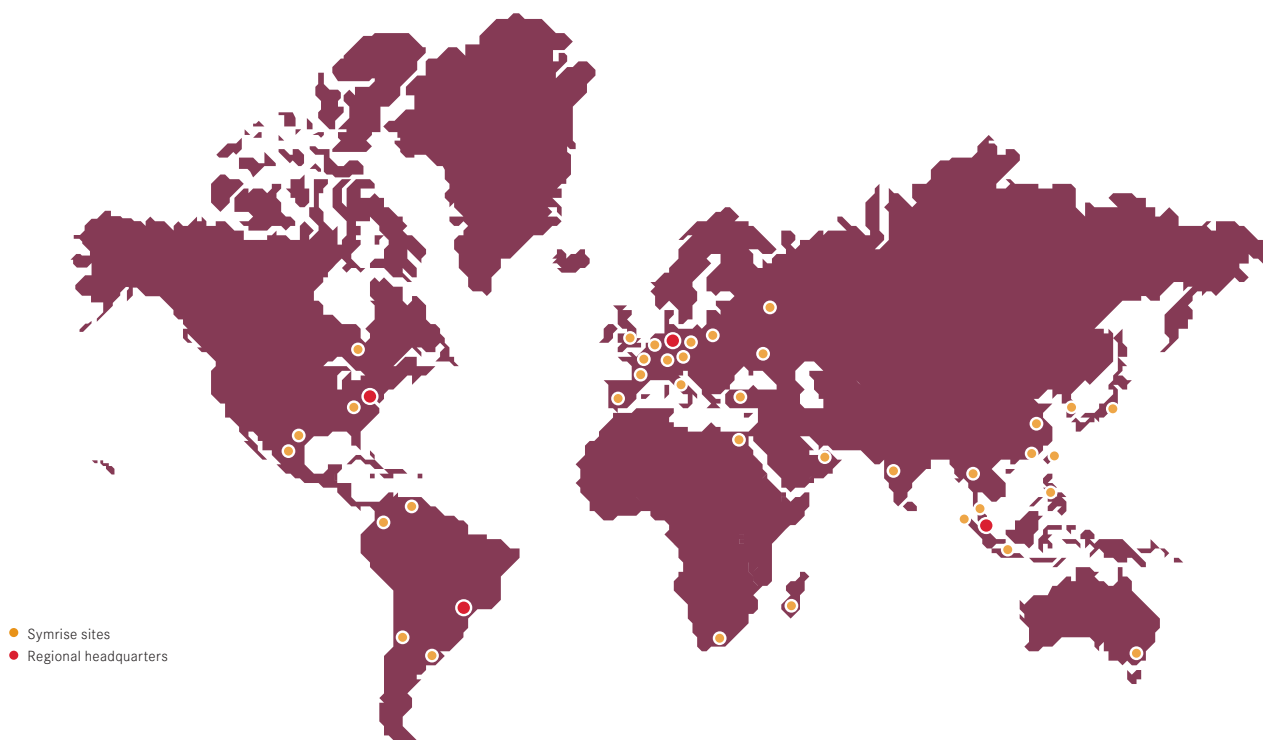


The extensive research and development (R & D) undertaken, which is supplemented by a wide-reaching external network of research institutes and scientific facilities, forms the basis of our product development. Given the big differences in regional sensory preferences, comprehensive consumer research is also an important part of our R & D activities. It creates the foundation for developing marketable products that are successful in the long term and that meet the various needs of consumers in different parts of the world. Symrise has development centers notably in Germany, Brazil, China, France, Singapore and the US.

SCENT & CARE

The Scent & Care business division's products are sold in some 135 countries. Its portfolio includes fragrances, cosmetic ingredients, aroma chemicals and mint products. The business division has sites in 33 countries. Major subsidiaries are located in Brazil, China, Germany, France, Mexico, India, Singapore and the US. The Scent & Care business division is divided into the Fragrances, Life Essentials, Aroma Molecules and Oral Care business units. In these business units, our products are used in different application areas as follows:

SYMRISE SITES 2012



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

Life Essentials: The products manufactured in this business unit are used in skin care products, hair care products, sun creams, after-shave balsams, shower gels, wash lotions, shampoos and deodorants. Products with nurturing characteristics are an important part of this business unit. Alternative preservatives are another focus. The business unit is divided into the Cosmetic Ingredients and UV Protection application areas.

Aroma Molecules: The business unit is divided into the Sensates (Menthols), Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals application areas. In the Sensates application area, Symrise manufactures nature-identical menthol, which is primarily used in the manufacture of oral care prod-

ucts, chewing gum and shower gels. Special Fragrance & Flavor Ingredients and Fine Aroma Chemicals encompass aroma chemicals (intermediate products for perfume oils) of particular quality. These aroma chemicals are used for Symrise's own perfume oil production and are also sold to consumer goods manufacturers, who make perfume oils from them. An important product group, among others, is that of biodegradable musk fragrances, which adhere significantly better to hair, skin or textile fibers and are an essential component of perfume oils.

Oral Care: Symrise offers the entire product range of mint flavors and their intermediate products for use in toothpaste, mouthwash and chewing gum.

FLAVOR & NUTRITION

Flavor & Nutrition's range of products is sold in 140 countries. The flavorings that we produce are used by customers to make foods and beverages, giving different products individual tastes. Symrise supplies individual flavorings used in end prod-

ucts as well as complete solutions, which, apart from the actual flavor, can contain additional, functional raw materials, food coloring or microencapsulated components. The global Consumer Health application area serves, among others, the growing market for food supplements and pharmaceutical preparations. The business division has sites in more than 20 countries in Europe, Asia, North America, Latin America, the Near and Middle East and Africa. It has central offices in Brazil, China, Germany, England, France, India, Japan, Mexico, Singapore and the US. In particular, Symrise's flavorings and ingredients are used in four application areas:

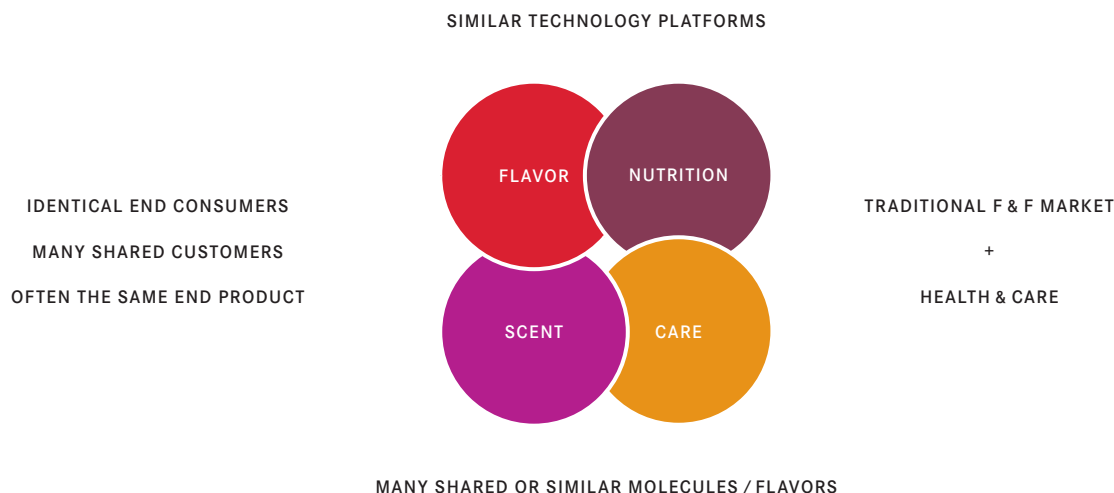
Beverages: Our flavorings and beverage bases are used in non-alcoholic beverages such as refreshment drinks, fruit juice drinks, energy and sports drinks, tea and coffee drinks, mixed milk drinks and functional drinks. Symrise also has applications with flavor granulates for instant drinks such as tea and coffee specialties. The product range is being expanded with flavorings, distillates and extracts for nearly all common types of alcoholic beverages.

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

Sweet: This application area includes sweets, baked goods, ice cream and dairy products. A focal point is products with improved flavor release and flavor systems with masking properties that permit the use of functional ingredients and simultaneously conceal the often unpleasant flavor of these ingredients. Symrise is focusing in particular on vanilla, citrus and mint flavors.

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

SYMRISE BUSINESS DIVISIONS



Values, Goals, Strategy

OUR MISSION

Symrise is recognized worldwide as a leading provider of fragrances and flavors and of basic ingredients and active agents for the perfume, cosmetics, pharmaceutical, food and beverages industries. We combine our knowledge of consumers' ever-changing needs with creativity and ground-breaking technologies. In doing so, we concentrate on the development of solutions that provide our customers with added value. We strive to ensure sustained value creation and allow our employees and shareholders to participate in the company's success.

COMMON VALUES DETERMINE OUR GOALS

The people at Symrise share common values. This is also a core meaning of "Sharing Values," the motto of our 2012 corporate report. In the long term, we want to be the most successful company in our industry. We also want to strengthen our market position and ensure our independence. We are aware that economic success and social acceptance are inextricably linked. Our economic goals are tied to the responsibility we live by and

feel every day for the environment, employees and society. The Symrise set of values forms the foundation of how we think and act and also determines our corporate culture. "Because we care" is the guiding principal of Symrise's commitment to a holistic understanding of its entrepreneurial activity.

In order to strengthen our market position, sales should grow faster over the long term than the average market volume. This means that Symrise will be increasing its market share and expanding its lead over competitors. At the same time, Symrise has set itself the goal of being among the industry's most profitable companies. By taking into account the requirements of various stakeholders at all stages of the value creation process, we are creating value for all: "Sharing Values." Linking economic, ecological and social goals and strategies is making good progress at Symrise, but it is by no means completely finished. We are working on this every day.

OUR VALUES

COMMITMENT

Our employees are the key to the success of Symrise. We stimulate our employees with challenges, encourage them to take on responsibility and help them develop.

EXCELLENCE

Outstanding performance for customers, consumers and markets: Profitability, entrepreneurial vision and uncompromising quality ensure our success.

CREATIVITY

Is our driver of innovations with which we bring our claim of always inspiring more to life.

ADDED VALUE

Intelligent added benefits and integrated services for our customers, enjoyable and rewarding experiences for the customer and strategic growth for Symrise.

INTEGRITY

Trust and honesty serve as the foundation of our teamwork. This is as true in working with fellow employees as it is with all of our stakeholders, and it represents a core element of our code of conduct.

SUSTAINABILITY

We are individually and collectively aware of our responsibility we owe society as a company. That's why sustainability is one of our core principles guiding our actions.

ON THE WAY TO AN INTEGRATED CORPORATE STRATEGY

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

GROWTH AND GLOBAL STRUCTURE

The global AFF market (Aroma Molecules, Flavors & Fragrances) relevant for Symrise has a volume of € 16.9 billion and is achieving average long-term growth of around 2 to 3 % per year. Symrise's market share is approximately 10 %. We want to increase this market share through above-average growth. In order to do so, we are pursuing three strategic approaches:

GROWTH WITH RAPIDLY GROWING CUSTOMERS

Global, regional and local customers each account for approximately one third of Symrise's sales. This balanced customer portfolio stabilizes business development and opens up growth opportunities on a broader front. We give special attention to rapidly expanding customer companies. Our core competencies, such as Citrus, Vanilla or Mint, are specifically targeted at our customers' main markets. There are few providers that are equipped as Symrise is with the ability to provide the highest product quality in any volume around the world. We ensure product quality and the ability to deliver through targeted backwards integration and long-term contracts for key raw materials. With this concept, we also reduce the impact of volatile raw materials prices on the performance of the business. Consumer demand for sustainably produced and health-promoting products is rising. Symrise and our customer companies are embracing this megatrend in order to differentiate themselves from the competition and to grow profitably. Sustainable products and production methods make Symrise a valued partner for leading companies in our customer industries. Furthermore, the close cooperation with strategically important customers in product development enhances customer loyalty. The focus on research and development and the international presence of this group of customers create interesting and highly skilled jobs for Symrise employees. We want to participate at an above-average rate in the growth of our dynamically expanding customers by persuading them with our performance.

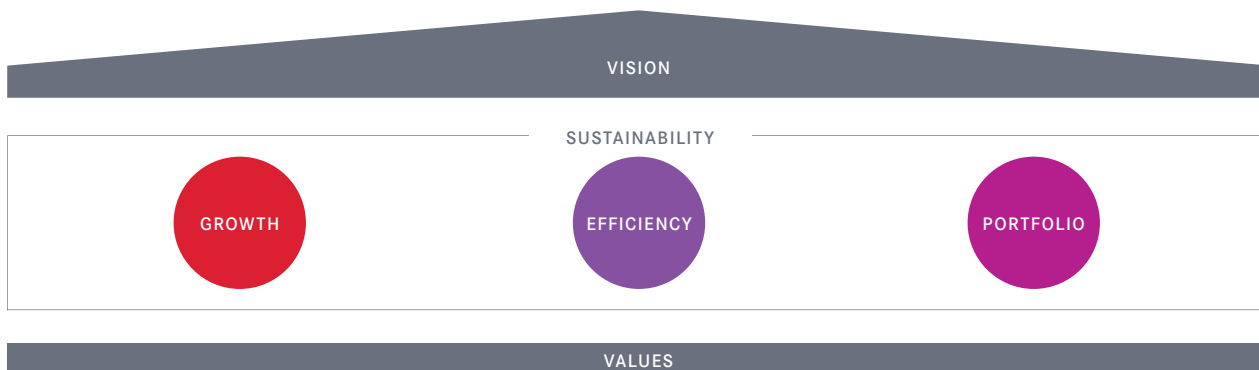
EXPANDING POSITION IN THE EMERGING MARKETS

We made the decision to target our activities towards highly populated and rapidly expanding regions of the world at an early stage. An increasing portion of the world's population is experiencing a rise in standard of living, and consumer spending is increasing accordingly in Latin America, Asia, the Middle East, Eastern Europe and Africa. In the medium to long term, their spending will likely grow considerably quicker than the international average. "All business is local" – a good understanding of the local conditions, markets and consumers is a major key to the successful further expansion of our business. Thus Symrise is represented in key emerging markets with its own operating facilities. We create jobs in developing and emerging markets that meet the standards set out by the International Labour Organization (ILO) as a matter of course and offer working conditions that often well exceed the local level. Additional jobs are created for the local population by sourcing raw materials and intermediate products from the region. We set high standards for the quality of products and the sustainability of production methods used for this local sourcing. Furthermore, Symrise is committed to local social issues at all of its locations.

INNOVATION AND TECHNOLOGY AS DRIVERS OF GROWTH

We focus our activities on new fields of business and application areas that show a higher growth potential than the general market for fragrances and flavors. Innovative products provide Symrise with an excellent profile on the market and offer additional growth opportunities. At the same time, our commitment to the areas of skin protection and healthy eating, for instance, produces tangible benefits for end customers. Many of our research and development activities are aimed at reducing the fat, sugar and sodium content of products. Market and consumer research, research and development, creation, marketing and sales are closely intertwined at Symrise. Regional research and development centers – such as the ones in São Paulo (Brazil) or Shanghai (China) – ensure the local market relevance of development activities. Numerous partnerships with research institutes and universities provide us with valuable ideas. At the same time, Symrise contributes to scientific advances with a range of initiatives such as doctoral scholarships and internships. Symrise is committed to green chemistry.

OUR BUSINESS STRATEGY



BALANCING THE CUSTOMER PORTFOLIO

MOVING FROM EFFICIENCY PROGRAMS TO CONTINUOUS INCORPORATION INTO THE ORGANIZATION

ENHANCING DIFFERENTIATION THROUGH A UNIQUE PROFILE

SUSTAINABILITY AS STRATEGIC DRIVER IN CUSTOMER BUSINESS

We want to design chemical processes in such a way that reduces energy consumption and environmental impact. We make use of renewable raw materials wherever possible. With our focus on white biotechnology, we are increasingly able to optimize production processes and make them more environmentally friendly. At the same time, new products and system solutions with a high degree of value-creation potential are developed. The safety and quality of our products is of the highest priority at Symrise. This is ensured by our Global Product Compliance Competence Center, which also oversees strict compliance with regulatory requirements.

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

CONTINUOUSLY HIGH PROFITABILITY

The second pillar of our corporate strategy is the continuous efficiency improvement of our operational processes and the focus on products with a high level of value creation. Symrise has developed from its medium-sized roots into a corporation with global reach. Though much has changed, cost-consciousness remains a firm part of our corporate DNA. We are constantly seeking to find even better methods for supplying our products in a cost-effective and environmentally friendly manner at

a consistently high level of quality. We strive to further optimize our cost structures along the entire value creation chain. The aim is to achieve a sustainable EBITDA margin of around 20% as well as continuously improving the economic and ecological efficiency of our business activities. The most important tool for this is Total Productive Maintenance (TPM). Since 2007, we have implemented well over 2,000 improvements and significantly exceeded our goal of increasing efficiency by 2.5% each year as part of this standardized process. At the same time, TPM enables us to ensure that all changes in production processes have a positive effect on our sustainability performance. In addition, we use balanced scorecards to optimize the core areas of quality, service, costs, safety and employees. Together with our customers, we have established an integrated supply chain management system in the form of the Synchronize™ initiative, which comprises the entire value creation chain from raw materials procurement to the customer's end product. Likewise, our comprehensive approach to environmental management includes – together with ambitious, long-term goals to reduce energy consumption, CO₂ emissions, and water consumption as well as waste and waste water emissions – a systematic process for continuous improvement. Successful productivity improvements increase the company's investment strength and competitive edge.

ENHANCEMENT OF OUR PRODUCT PORTFOLIO

The enhancement of our product portfolio comprises the third pillar of our corporate strategy. We tap new markets and segments, and constantly seek to expand our expertise in the areas of nutrition and care. Symrise is active in dynamic markets – new ideas, new challenges and opportunities are simply business as usual. We want to further separate ourselves from the competition by anticipating consumers' changing needs and preferences as soon as possible and fulfilling them quickly, efficiently, creatively and ecologically. At Symrise, innovation doesn't begin with the research and development of a product, but earlier – with the market research that leads to insight and knowledge. Symrise initiated a paradigm shift in the industry: We no longer start by talking about molecules or technologies, but rather focus on the consumers. Our customers need a strong and creative partner for innovation. And innovation doesn't stop with the manufacture of our products. The close networking of our established business units with new units at the technical

level, as well as via the same consumer clusters and customers, offers us substantial synergy potential, of which we systematically take advantage. The Life Essentials business unit has been created in the Scent & Care business division. This is where Active Ingredients – the highly effective substances for cosmetic care that slow the aging of the skin, soothe irritated skin or have an anti-bacterial effect – are located, for instance. In the Consumer Health application area, Symrise develops natural, functional ingredients that promote heart or digestive function, for example. In the Flavor & Nutrition business division, around 30% of our research and development budget for 2012 was in the area of healthier nutrition. In all application areas, the proportion of products contributing to health and well-being amounted to 25% of our sales in the 2012 fiscal year. By focusing our product portfolio on the areas of health and well-being, Symrise sets itself apart from the competition, produces tangible benefits for end consumers and paves the way for long-term growth potential.



Highlights 2012



30 Years in China

Symrise was the first international manufacturer of fragrances to initiate business activities on the Chinese mainland in 1982. Today, the company is represented at four locations and is a market leader in the area of mint products for the oral care industry, for example. Due to Symrise's early involvement in the emerging markets – including China – the company now generates 48% of its sales in these rapidly expanding markets.



Pleasing the Palate

Symrise introduced its “Pure Pleasure” consumer study in September 2012. It analyzed the culinary preferences of consumers in four European countries. Symrise is using the findings to develop ideas for new pleasurable products together with its customers.



German Sustainability Award

The German Sustainability Award Foundation recognized Symrise AG for its responsible procurement of vanilla in Madagascar with first place in the “Germany's Most Sustainable Initiatives” category in December 2012. The jury's statement: With this initiative, Symrise is improving the social and economic situation for the local producers while at the same time guaranteeing its raw material supply in a sustainable manner.

Valuable Investment

On May 16, 2012, Symrise AG's Annual General Meeting resolved to distribute a dividend of € 0.62 per share. Over the past five years, the company has distributed dividends totaling € 321.5 million to its shareholders.



Commitment to Corporate Responsibility

In July 2012, Symrise committed itself to the internationally recognized basic principles for sustainable and ethical business practices by signing the UN Global Compact. The Global Compact sets standards for human rights, labor rights, environmental protection and anti-corruption measures.

Secure Base of Raw Materials

In June 2012, the new high-efficiency production system for synthetic, nature-identical menthol became operational in Holzminden. With an investment of € 16 million, Symrise doubled its production capacities and expanded its worldwide market leadership with regard to this key raw material.

Less is More

Efficiency is a core principle at Symrise – and also applies to our environmental policies. By 2020, we aim to reduce the effects of our business activities on the environment per product unit sold by a third compared to 2010 levels. Compared to 2010, we made significant progress in this regard in 2012:

Energy consumption* – 4.2 %

Wastewater emissions* – 9.9 %

Water consumption* – 2.4 %

CO₂ emissions* – 5.4 %

Waste* – 10.7 %

Sustainable Recognition

The internationally recognized sustainability rating agency oekom research confirmed Symrise's position as one of the most sustainable chemical companies in the world in December 2012. The company qualifies as a sustainable investment (SRI) as a result of being granted Prime Status.



Expanded Presence in Latin America

Symrise opened a new Center of Excellence in the São Paulo region of Brazil in August 2012. It pools research and development activities while also facilitating closer cooperation with market research, sales and marketing. The building complex was constructed and designed with sustainability and environmental protection in mind.

100 % Sustainable Vanilla

Symrise vanilla now meets the strict criteria of the SAN standards for sustainable agriculture. A group of 1,073 farmers from 29 villages in the SAVA region was certified for this by the Rainforest Alliance. Symrise has been active in Madagascar for many years. The company has committed itself to procuring 100% of its vanilla under fair conditions. In doing so, the company is also responding to the growing demand for vanilla produced in a socially and environmentally friendly manner.

"Have Your Say!"

Symrise conducted its second global employee survey in June 2012 in order to increase employee involvement in the company's development. Strong ratings in satisfaction and commitment placed Symrise among the top 15% of attractive employers in Germany.

Stakeholder Survey

As part of a global survey, we invited over 600 customers, employees, investors and suppliers to share their assessments of our performance and sustainability efforts. With 294 stakeholders participating, the response rate was over 45%. The results show that around three quarters of the survey participants are either satisfied or very satisfied with our strategic approach and assess our sustainability efforts as being good to excellent compared to our competitors.



* per product unit sold



Perseverance Pays Off

SHARING VALUES Ten years ago, two renowned companies merged to form Symrise. Three years later, the company went public. The first ten years can be characterized as a success story – one that should continue into the future, says Dr. Heinz-Jürgen Bertram. The CEO points to the company's worldwide growth, efficient and sustainable business principles and clearly defined product and customer structures as the keys to its continued success.

2013

SYMRISE IS CELEBRATING ITS TEN-YEAR ANNIVERSARY. SINCE ITS IPO IN 2006, THE COMPANY'S VALUE HAS INCREASED BY ALMOST € 1.2 BILLION. THE COURSE FOR A SUSTAINABLE AND SUCCESSFUL FUTURE HAS BEEN SET.



“Global, regional and local customers each account for a third of our sales. This distribution makes us less dependent on any one group.”

Dr. Bertram, you have implemented a three-pillar strategy, which focuses on maintaining a global presence, increasing efficiency and offering a diverse portfolio. Where does the company stand today?

We have improved in every area and this is reflected in our performance figures. Value creation is high and we have achieved an EBITDA margin of approximately 20 % in a difficult economic environment. We have also grown twice as fast as the market for fragrances and flavors. Our three-pillar strategy – into which we have resolutely integrated sustainability aspects – has proven itself a success.

Sustainability is a popular buzzword these days.

What exactly do you mean by it?

We follow the shared value approach: We can only share our company's success by being commercially successful and creating value. In doing so, we improve social and economic conditions or maintain them at a high standard for the long term, which is what sustainability is all about. This applies to all of our stakeholders and their environments – from raw material suppliers and employees to customers and investors.

So profitability is a requirement?

Absolutely. By definition, we cannot share value without value creation. In other words, we cannot be successful if our stakeholders don't also benefit. We have long recognized that this model works best for us and we apply it to vanilla farming in Madagascar just as we do to all of our other sites and locations.

Could you detail the worldwide growth of the company for us?

We notably expanded our position in 2012. Above all, we have achieved excellent balance – between the developed and emerging markets, between the two divisions and within the product segments and customer groups. This principle is very important as it reduces our exposure to single risks.

What does that mean with regard to the markets?

We generated nearly half of our sales in the emerging markets. These markets show great growth potential for the entire industry. Our business there has strong local roots. Our strategy of settling our expertise locally has been serving us well. In Russia, we are the only international company in our industry to have set up a production plant there. We have strengthened our operations in Brazil – where we have maintained a presence for over 60 years – by opening a new Center of Excellence. At the same time, we are also increasing our sales in developed markets. For example, we had a very good year in the USA.

What does the company's customer structure look like?

We differentiate between global, regional and local customers – each group now accounts for roughly a third of our sales. Ten years ago, when we started Symrise, we averaged only 11 % of sales with global customers. Today, we are listed at nearly every international manufacturer as a preferred supplier. We are very pleased with our current sales distribution as this reduces our dependency on any one group in comparison to the past.



Dr. Heinz-Jürgen Bertram,
Chairman of the Executive Board

Do you see more potential in one customer group over the others?

No, we want and are able to keep growing with every customer group. Judging from our high level of momentum, I am confident that we will.

The company is growing and yet there is an emphasis on increasing efficiency at the same time. How does that fit together?

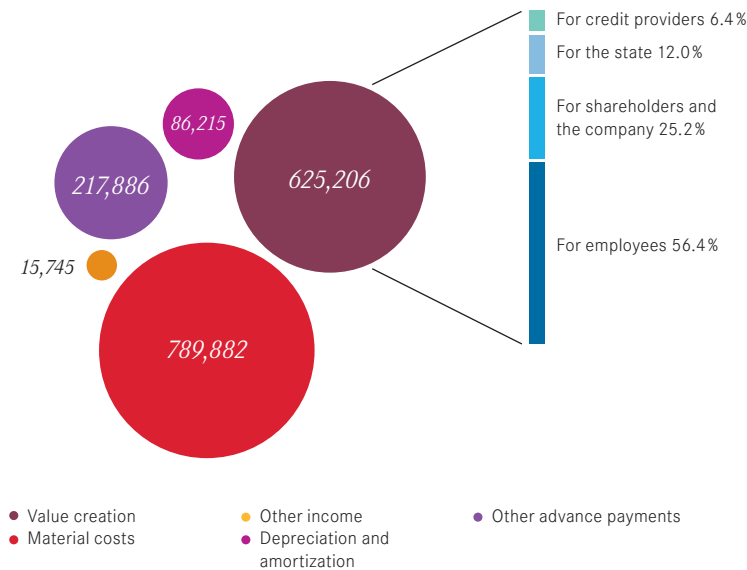
We sell about 30,000 products to thousands of customers and we require about 10,000 raw materials to make these products. This means that we are managing complexity – both for us and our partners. That's why we started a universal program at our sites that aims to improve efficiency along the entire value creation chain every year. It starts with purchasing and continues with central research and development all the way through to sales. It has resulted in some solid improvements so far. One figure in particular really reflects this increased efficiency: Sales per employee has

increased from € 257,000 in 2006 to € 306,000 in 2012. The end result is commercial success for all parties – as well as sustainable business practices.

Do you have an example of this?

Sustainability functions best when all stakeholders benefit: the environment, the people in the region, our customers, our employees and, of course, our shareholders. When we link sustainability to our business activities, all of our partners are strongly motivated to act. A great example of this is our procurement of vanilla in Madagascar, which won the German Sustainability Award in December 2012. The award highlighted that we are improving the social and economic situation for the local producers with our initiative while at the same time guaranteeing our long-term access to this valuable raw material.

VALUE CREATION CALCULATION 2012 (IN T€)



Companies like Symrise are closely tied to the overall economy and society. Over half of the value created serves to benefit employees.

Price, quality and availability are growing challenges when it comes to raw materials.

How are you handling this?

We have implemented backwards integration for four of our most important categories of raw materials – ensuring the company’s access to these materials. Once again, sustainability is a driving factor. With vanilla and citrus fruits, we have implemented holistic concepts in Madagascar and Latin America, respectively. We always purchase certain vegetables – such as onions, which are used in nearly every savory flavor – through regional growers with whom we have long-term agreements. On the other hand, with synthetic menthol, which we have been manufacturing since 1973, we added a new production plant and doubled our production capacities in order to cover growing demand.

You differentiate between natural and synthetic products. Is there a tendency towards one over the other?

Thirty years ago, more than half of our products were doubtless synthetic. However, this also included some nature-identical materials, like our menthol, which is manufactured according to its natural structure. Today, these represent a sensible replacement for raw materials that are barely possible to cultivate in a sustainable manner. However, between 60% and 70% of our products are now made with natural raw materials and this trend is increasing.

You mentioned various products. What are the advantages of a broad portfolio?

In addition to a large quantity of successful products, we also have a unique position in our industry. Due in part to the wealth of expertise carried over from our predecessor companies, we offer more than just materials that provide a specific smell or taste. We are also involved in segments like “Care” and “Nutrition”. This means that we serve a much broader market that is constantly growing – in addition to our core market, which we share with large competitors. Global megatrends, such as healthy nutrition, wellness and care, contribute to our success. A further aspect is our experience in process and application technology, which gives us a distinct advantage. As our numerous awards and patents show, we are among the most innovative companies in our industry.

18,470 €

AN INVESTMENT OF € 10,000 IN SYMRIS STOCK AT ITS IPO IN 2006, WITH THE SUBSEQUENT INVESTMENT OF THE DIVIDENDS, WOULD TODAY RESULT IN IMPRESSIVE GAINS. AS OF DECEMBER 28, 2012, THE PURCHASED SHARES WOULD BE WORTH € 18,470 – CONSTITUTING AN ANNUAL VALUE INCREASE OF 10.8 %.

10,000 €

In years past, there was a lot of talk about products that offer additional health benefits – a market that accounts for about € 150 billion globally. How is the company progressing in this segment? In 2012, we made significant progress in the development of nutrient complexes for healthy foods and in producing highly purified plant extracts with proven efficacy, for example. We continue to push for a greater market share in this segment, but we do so with caution. We want to avoid investing in fields where the market has stagnated or fields that offer low value creation opportunities. In addition, we look for opportunities that fit our company and align with our sustainability goals.

Are these technologies developed in-house?

We use a mix of internal and external expertise, such as from our minority holdings in the area of biotechnology and medical nutrition. We also have partnerships with the Swedish companies Probi and Indevex and work in close cooperation with them. Both sides benefit from this pooling of expertise and expand their know-how.

Let's get back to Symrise itself. With Scent & Care and Flavor & Nutrition, the company has two equally large divisions. Are there synergy effects between them?

Yes, there are many areas that overlap between them and we continue to expand these. In research and development, process technologies and even in customer communication, there is a lot of repetition – the same questions and an-

swers always arise. In market and consumer research, our experts are in constant dialogue and always in search of newly developing trends. The same is true in quality management and compliance with the various industry-specific regulations and laws. We also have synergies within the divisions such as when we combine fragrances with new cosmetic substances in Scent & Care, or when we balance out flavor deficits with functional product solutions in Flavor & Nutrition. This allows us to offer real added value and extend our value creation.

Symrise is currently celebrating its ten-year anniversary. Where do you see the company in the next ten years?

We see a company that has substantially increased its value and that will continue to operate successfully in its markets, with numerous innovations as part of a clearly differentiated portfolio in the areas of balanced nutrition and personal care – all based on sustainable processes and products. In view of demographic changes, a growing global population and the increasing scarcity of resources, sustainability is our responsibility and is increasingly important for our business.

“10 years of Symrise

– a success story built on the pioneering spirit of its predecessor companies. Inspiring innovations were and continue to be at the center of our entrepreneurial activities.”

The discovery of the first method for manufacturing nature-identical vanillin led to the founding of one of these predecessor companies in 1874. And things have come full circle: In 2012, Symrise won the German Sustainability Award for its sustainable sourcing of vanilla in Madagascar.

What Makes a Company Successful?

Staying true to its identity yet remaining open to change. Loyalty to uncompromising corporate values such as creativity, commitment and sustainability. A readiness and willingness to change in order to actively make use of opportunities that present themselves on the global markets and to always provide customers with the best possible products, to constantly optimize the company's own processes and create sustainable value for the company and its stakeholders.





1874

Discovery of the first method for manufacturing nature-identical vanillin and the founding of Haarmann's vanillin factory in Holzminden.



HAARMANN & REIMER GMBH (1874 - 2003)



1999

H&R is present on every continent with its own regional companies and employs over 4,000 people worldwide. The company now generates Group sales of well over DM 1 billion.

1954

Takeover by Bayer AG. Over the course of the next years, Haarmann & Reimer develops into an important international manufacturer of fragrance and flavor ingredients.

1973

World's first fully synthetic production of menthol.

2002

Sold to Swedish investor EQT for € 1.7 billion.

1919

Hairdresser Carl Wilhelm Gerberding founds the Dragon Company and begins manufacturing perfume and soap compositions.

1929

Acquisition of factory grounds in Holzminden, which are still used today. Initial flavor production.

1981

With Horst-Otto Gerberding, company management is passed on to the third generation of the founding family. Today, Gerberding is a member of the Supervisory Board of Symrise AG.

2002

Dragoco moves its company shares into the new company Symrise.



DRAGOCO



1955

Company begins internationalizing. By the 1990s, the company had a total of 23 subsidiaries in foreign countries, including the USA, the UK, France, Austria, Italy and Switzerland.



DRAGOCO GERBERDING & CO. AG (1919 - 2003)



2005

Natural vanilla business expanded. With the gradual integration of the French-Madagascan company Aromatics S.A.S., Symrise lays the foundation for the important vertical integration in its vanilla value creation chain.

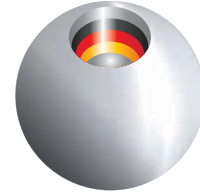
2006

IPO of the Symrise share for official trading on the Frankfurt Stock Exchange (Prime Standard) on December 11.

With a volume of 81.03 million shares and a placement price of € 17.25 per share, it was the largest IPO of the year in Germany.

2009

Dr. Heinz Jürgen Bertram becomes CEO of Symrise with a new strategic focus on Flavor AND Nutrition as well as Scent AND Care.



2012

Symrise receives the German Sustainability Award for its sustainable sourcing of vanilla in Madagascar.

2012

At € 27.875, the Symrise share reaches its highest value since its IPO on October 30.



2007

Introduction of the taste platform taste for life® – an innovative instrument for developing new products more quickly and in line with market demand for healthy and enjoyable products.

2008

Opening of the Global Citrus Center in Sorocaba, Brazil. There, Symrise pools its competencies in the immediate vicinity of the world's most important region for citrus cultivation.

2012

Doubling of the production capacities for synthetic menthol. This key raw material is now produced in a highly efficient and environmentally friendly manner.

2003

With the merger of Dragoco and Haarmann & Reimer, Symrise becomes the world's fourth largest supplier of fragrances and flavors. The company employs about 5,800 people at over 30 locations and generates sales of approximately € 1.25 billion.





Cracking the Customer Code

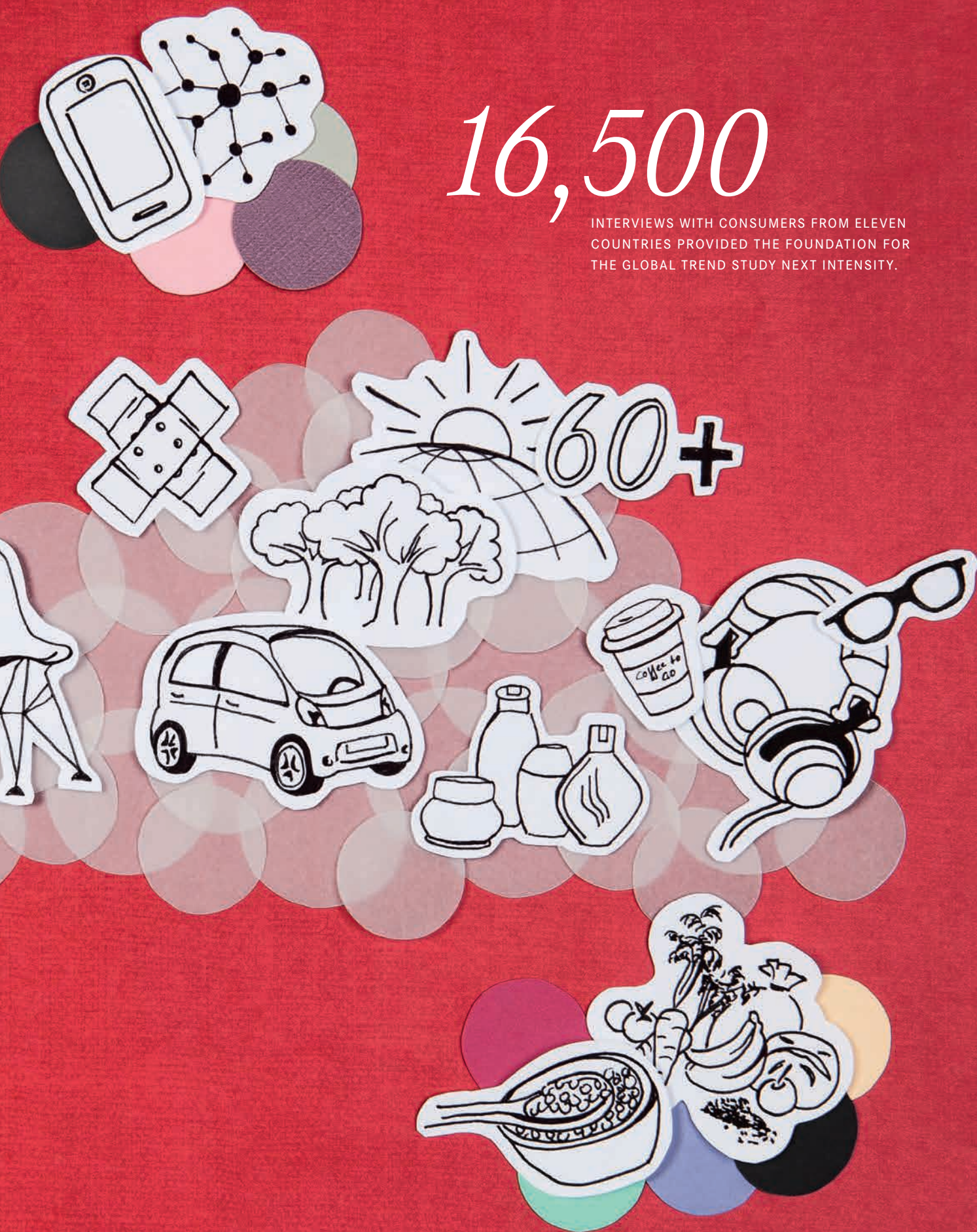
INSIGHT-DRIVEN INNOVATION

What do consumers want? More than anything else, companies looking to develop the most fitting and advantageous products in highly competitive markets need the answer to this question. With a comprehensive, qualitative and quantitative study unlike any other in the industry, Symrise has found a way to adapt to both current and future trends. “Next Intensity” is a powerful tool for expanding the company’s innovation and creativity even further.



16,500

INTERVIEWS WITH CONSUMERS FROM ELEVEN COUNTRIES PROVIDED THE FOUNDATION FOR THE GLOBAL TREND STUDY NEXT INTENSITY.



You're standing in front of a shelf at the drug-store. It's filled with two dozen types of toothpaste, neatly arranged white tubes with orange, green or blue labels. A familiar scene. But one container stands out. Its packaging is black and its label glows in neon colors. "A product like this can turn an entire market upside down – if it is able to do two important things. It has to fulfill the basic requirements of a toothpaste and, at the same time, promise more," says Global Account Manager Sascha Schulze.

The 37-year-old graduate of business administration is the global face of Symrise for a major international customer. For the Group, he works in the Beauty Care segment, which includes personal care, hair care and oral care products as well as perfumes. "The market is very complex. That's why we always need to have a very clear idea of what people need and how these needs are developing," he says.

Accordingly, Symrise's marketing department has created a unique foresight tool for global trends, which offers a clear idea of where the future lies: Next Intensity. The company collects and analyzes information on what drives consumer decisions today – and what will drive them in the future. "These trends are crucial for us as we attempt to align our product developments to the ever-changing needs of consumers." The unusual toothpaste, for example, is aimed at the growing group of consumers in developing markets, who want to experience something fresh and exciting in these hectic times – even if it's just while brushing their teeth.

This trend is called experiential consumption, a name given to it by Symrise's large-scale study – a study unlike any other study of its kind in the industry. Next Intensity delivers comprehensive insight into global megatrends and consumer values, behaviors and desires. The goal of the study was to be able to offer Symrise customers – the manufacturers of perfume, personal care products, beverages and food – products that meet consumer needs even more closely, while providing multifaceted support to employees throughout the company.




*Home
Quarters*

—
*Consumers from
eleven countries offer
insight*
—



—
*Super influencers –
future-oriented
people
set trends*
—



*Considered
Consumption*



Experiential

—
*New
perspectives*
—


A circular image showing a collection of dried, pressed botanical specimens on a light-colored, textured surface. The specimens include several thin, brown branches, a single pink flower bud on a green stem, a small dark leaf, and a cluster of small red berries. Below the main branch, there are several small, thin, brown sticks.

Eco Citizenship

A circular image of a woman with dark hair, wearing a light blue tank top and large black headphones. She is smiling and has her eyes closed, appearing to be enjoying music.

Best Being

—
*Global megatrends
determine the
purchasing decisions of
tomorrow*
—

A circular image of two young women with long brown hair, smiling and taking a selfie with a smartphone. One woman is wearing a straw hat.

Instant Everywhere

A circular image of a young girl with dark hair and bangs, wearing a light-colored dress with a red bow. She is holding the hand of an adult, whose arm is visible in a grey sleeve.

Passion

Safe & Secure

A circular image of a woman's face, looking upwards. Her face is covered in black, splattered paint or makeup, with her eyes and mouth visible. She has pink lipstick.

Identity

“Next Intensity is an effective tool that we use to constantly refine our work.”

A UNIQUE CROSS-DIVISIONAL PROJECT

Symrise has carried out consumer research studies for decades, but the breadth and depth of Next Intensity is unprecedented. “Megatrends are global and they affect every product segment. That’s why both Symrise divisions – Scent & Care and Flavor & Nutrition – decided to perform a joint study on a scale that was a first for the company, involving 25 countries around the world and for all product groups,” says Isabelle Vacheret, who was responsible for the Scent & Care side of the study as SVP Global Head of Marketing in Paris. “The study achieved high levels in terms of both quantity and quality,” explains her colleague Clotilde Croixmarie, head of Flavor & Nutrition’s EAME marketing department at the time of the study.

A joint kick-off meeting in Paris marked the starting point for Next Intensity and brought together representatives from around the world and both divisions at the end of 2010. “The discussions were simultaneously very focused and very open,” recalls Clotilde Croixmarie. “In the end, we were excited about one common idea.” Isabelle Vacheret adds: “We didn’t reach a compromise. Instead, we reached a genuine, value-creating consensus.” One major factor for success was the fact that the study benefits everyone involved. It ensures that marketing teams and consumer researchers are on the same page across all regions and product segments, while providing valuable information for every segment on a local basis. The knowledge sharing also helps save on costs and personnel resources.

ANALYZING AND PREPARING GLOBAL DATA

The team set high goals for the study. Its aim was to identify global trends and deliver hard facts – both qualitatively and quantitatively. That’s why choosing the right agency was a crucial first step. “Our partner needed to have global experience collecting and analyzing data from around the world,” says Isabelle Vacheret. Symrise found that partner in GfK Roper, a company that is highly regarded in monitoring and tracking consumer behavior, expectations, attitudes, basic needs, lifestyles and activities, which it has done every year for the last 15 years in 25 countries.

“A key factor in the choice was that we didn’t want to simply buy heaps of raw data and pass that on to our customers. We wouldn’t have learned much from raw data,” says Clotilde Croixmarie. “We needed to understand it, adjust it and translate it into something meaningful for our day-to-day operations, our employees and our customers. Because of this, we developed a tool that allows us to do exactly that for all regions and all product categories.”

GfK Roper conducted direct and online interviews with 16,500 consumers from seven mature markets like the US, Germany and Japan as well as from the four BRIC countries: Brazil, Russia, India and China. Symrise’s unique approach focuses in particular on “super influencers” – people that tend to act as early adopters, consuming in a cutting-edge way and thereby influencing trends.

NEXT INTENSITY

The result is a new trend-tracking tool that has identified five megatrends that will globally influence our way of developing products in R & D, Creation and Marketing. These trends are global warming, scarcity of resources, an aging population, urbanization and the increasing importance of technology. Additionally, we came up with a global platform that is articulated around three important drivers, as we observed that people’s lives and consumption patterns are driven by different levels of intensity: “Slow,” “Balanced” and “High.” Behaviors can change between the three platforms in a single day. Nevertheless, we do see some differentiation depending on factors like country, gender or income.

For instance, “Slow Intensity” refers to the purchase behaviors of people who consume less and focus more on the quality of their consumption with a specific focus on provenance, ecological impact and the social consequences of their purchases. This does not rule out impulse purchases or prevent them from engaging in expensive and last-minute travel as part of their jobs. Among other things, “Balanced Intensity” refers to the trend of focusing on one’s own safe, secure and healthy environment. “High Intensity” applies to those consumers who enjoy empowering their life, experimenting with new products and enjoying exciting new experiences.

A TOOL FOR EVERYONE

The marketing experts developed three corresponding platforms for each of the three levels of intensity to help further clarify these consumer trends. For use in day-to-day operations, the study incorporates innovative new products, thought-provoking charts, creative videos and powerful visual images, which were explained to the marketing teams in workshops around the world as part of the global rollout. The informational materials sorted and analyzed trends and consumer insights for every market according to age, income, gender, product group and many other parameters.

Now, every marketing department is using Next Intensity. In Fine Fragrances, for instance, perfumers get inspired by and fine-tune their creations according to the insights produced by the study – using facts to focus their creative talents and experiences. In the Personal Care, Home Care and Oral Care segments, Key Account Managers are proactively inviting their customers to presentations. “Here, the marketing department is showcasing innovative new brand solutions that match our clients’ needs. We are positioning Symrise as an indispensable, visionary partner for future development,” says Isabelle Vacheret.

But the study hasn’t just been a success in Scent & Care. Specialists in the Flavor & Nutrition division also are applying these valuable findings to their work. Emmanuel Laroche is one of them. “Recognizing and anticipating trends is immensely important for Symrise,” says the Vice President Market-

ing & Consumer Insights for North America. “Our constant objective is to develop innovations that match the needs of our customers.” He and his colleagues have been working with Next Intensity since mid-2012, developing products like snacks, seasonings or beverages that have strong appeal to both on-the-go commuters and stay-at-home family types.

Symrise employees decide which trends apply to which customers, regions and products in sessions lasting multiple hours. “We use the study for every product development,” Laroche says.

One example of insight gained from Next Intensity was for the North American market: “The Hispanic population in the region accounts for 16 percent of the population today. By 2050, it will be about 30 percent. Many people are aware of this fact. With Next Intensity, however, we can show what impact this will have on snacking preferences or eating habits in general,” he says.

Laroche, a native of France who has worked at Symrise for 17 years, points out another highlight of the study: “When we present these trends to customers, they are intrigued by the depth and quality of the insights and occasionally we can find ourselves working with them in detail on their goals and objectives for hours. This is immensely valuable for getting an even better understanding of our partners.” Symrise speaks the same product language as its customers. This allows us to better understand the challenges our partners are facing, both in the present and the future. Though these global megatrends are reliable predictors for the medium term, they will continue to develop and evolve, particularly in the fast-changing dynamics of emerging markets. That’s why Symrise is always refining and updating the Next Intensity program. “We enter new data from the agency every year and adjust the results accordingly,” says Isabelle Vacheret. “We also check to see if a trend has simply shifted or if completely new trends are developing and need to be evaluated,” adds Clotilde Croixmarie. “This way, we can continue to have this very effective tool to help us refine and improve our work.”

The way people live and their behavior as consumers can vary in intensity depending on the situation – from careful, quality-oriented buying to spontaneous, experimental purchases.

Sustainable Excellence with Vanilla

SUSTAINABLE VALUE CREATION For over one hundred years, thousands of small-scale farmers in Madagascar, the island country off the East African coast, have been making their living by growing and selling vanilla. Symrise is one of the world's largest buyers of the precious spice. The company has been locally present in Madagascar for many years and has developed a unique approach for the sustainable procurement of vanilla. This commitment is now receiving special recognition.



A full-page photograph of a smiling man with dark skin, wearing a light-colored bucket hat and a dark jacket over a white shirt. He is standing in front of a stone wall with steps. A small logo is visible on his jacket pocket.

2012

IN 2012, SYMRISE WON THE GERMAN SUSTAINABILITY
AWARD FOR ITS SUSTAINABLE SOURCING OF VANILLA
IN MADAGASCAR.

The global vanilla business starts, wholly unspectacularly, with the use of some small wooden sticks. Each year, farmers spread out across the Madagascan rainforest with these match-like tools to pollinate the innumerable blossoms by hand. More than three-quarters of the world's vanilla production relies quite literally on the able hands of Malagasy farmers. And, in much the same way, most of these farmers depend on vanilla as their only source of income and, as a result, their entire livelihood.

Symrise was acutely aware of this fact when it began to develop a sustainability strategy for the procurement of vanilla in 2007. Today, Symrise is the only company in its industry that cooperates directly and intensively with the local farmers. Well over one hundred Symrise employees live and work on the island, processing more than ten percent of the nation's vanilla harvest of about 2,000 tons. All processing stages – from cultivation and harvesting, to the fermentation of the beans all the way through to the extraction process – take place in the country. In this way, the company is making a notable contribution to local value creation.

While the farmers themselves have practically no use for their most important product, the situation is quite different thousands of kilometers away. Most industrially manufactured foods require the pleasantly sweet flavor of *Vanilla planifolia*. The fragrance industry also needs this valuable raw material – for exquisite perfumes as well as for care products, ambient scents and soaps. That is why vanilla beans and the extracts made from them are considered some of the most important basic materials in the food and cosmetics industry.

QUEEN OF THE SPICES

As with every natural product, there are social, environmental and economic challenges surrounding the cultivation of vanilla. The plan to address all of these factors in a sustainable way proved to be difficult, but the results have been widely praised.

100 %

SYMRISE AIMS TO SOURCE 100 % OF ITS VANILLA IN A SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE MANNER. THE COMPANY IS CONSTANTLY WORKING TOWARDS THIS GOAL.

Cultivating vanilla is a tiring and tedious process that requires a great deal of experience on the part of the farmers. *Vanilla planifolia* does not grow on plantations. Instead, it winds its vines around tutor trees, like *Jatropha* or *Glyceridia*, in the shadows of the forest. If the farmers didn't pollinate the blossoms themselves, the *Vanilla planifolia* growing in Madagascar – the largest region of vanilla cultivation in the world – wouldn't be able to produce any vanilla beans.

And the work involved in cultivating the queen of the spices doesn't end there: The green beans are harvested by hand after being allowed to grow for nine months. They are then blanched and fermented – the actual quality-yielding part of the process, which lasts multiple weeks. In this way, the black, velvety and aromatic beans "ripen" – taking on the form most of us envision when we think of vanilla.

A GOOD DEAL FOR EVERYONE

For many decades, the fine bourbon vanilla beans have made their way from Madagascar to Holminden in Lower Saxony. However, Symrise bought its vanilla through intermediate retailers for many years – until the company decided to invest in the spice's origins in 2006.

“For us, sustainability means giving farmers an opportunity to make a fair living.”

Since then, Symrise has been on site and employees maintain close contact with the farmers. Establishing these contacts wasn't easy in the beginning, explains Laurence Briand, who is in charge of the social and environmental initiatives surrounding vanilla at Symrise. “Many groups come here and make promises to the people, but only a few actually return. Arriving with a suitcase full of money isn't enough to win the farmers' trust.” To gain this trust, Symrise started a number of long-term projects together with a network of developmental aid organizations, NGOs and local farmers' associations.

One constant focus of their work is ensuring a fair price. “For us, sustainability means giving farmers an opportunity to make a fair living,” Briand explains. “This includes enabling them to pay for adequate health care and for their children's school fees or to obtain microloans for food. All of our activities are geared towards enhancing the farmers' selfsufficiency.”

This kind of sustainability means a chance to do good business – for everyone involved. Symrise thus pays the farmers a premium price that is above the global market rate. The company also initiated a health insurance plan. Thanks to this initiative, some vanilla farmers are now able to go to the doctor for the very first time. Training sessions are also offered that teach the farmers effective and environmentally responsible cultivation methods or how to grow other products –

such as cocoa, coffee or cloves – to help them diversify and add to their sources of income. The farmers also particularly appreciate the opportunity to take out small, interest-free loans from Symrise. Quite regularly during the lean season, farmers are dependent on dubious middlemen to whom they sell vanilla at very low prices before harvest to cover their families' basic needs. We support them to break this vicious circle and thereby to strengthen their economic independence.

SUSTAINABLE ADVANTAGE

These investments have improved farmers' lives in a sustainable manner. Symrise's vanilla business also benefits from this arrangement and is now experiencing double-digit growth.

Stephan Sielaff is the Senior Vice President Global Operations for Flavor & Nutrition at Symrise and is in charge of the vanilla supply chain strategy in this role. For him, sustainability is not just a matter of compliance. He sees it as a real competitive advantage. In fact, he refers to business success as “a core element of Symrise's sustainability strategy.”

What role does the sustainability strategy play in terms of competitiveness, Mr. Sielaff?

At the very least, our sustainability concept seems to convince customers, as we are generating very good business at the moment.





What do customers expect when it comes to this topic, Mr. Sielaff?

Customers want to know how we carry out our work in the region, what criteria formed the basis of our certifications or how we ensure that child labor doesn't take place. Basically, they want to see that we are handling our business in a responsible way. In the end, it's all about reliability.

What other trends do you see?

The trend towards more partnerships is an example. The major topics – such as child labor, climate change or environmental protection – can't be solved by one company on its own. It will only happen if we all work together. I think we will all be challenged to break through some old conventions, with some of today's competitors acting as partners on certain topics in the future.

How do you imagine that happening?

A good example is the sustainable vanilla initiative. As part of this organization, every stakeholder in the vanilla business – including retail chains, food manufacturers, producers like Symrise and NGOs – all work towards a common goal for an entire market.

Does that work in such a highly competitive market environment?

Of course, our competitors are also working on their own sustainability strategies. But it's no longer about the old logic of always having to offer more than the next guy. Sustainability is a jungle of individual topics and developing a credible, sensible strategy out of these is the real challenge here. It's the "how" and "where" that make a difference. That is why our sustainability concept is implemented along the entire value creation chain. The result is that shift I mentioned from compliance to competitive advantage.

What does that look like in specific terms?

We clearly state that we aren't some charitable organization, but rather a profit-oriented business. We don't just want to donate some money to a school and then leave. We make sure that the farmers receive a fair price for their vanilla and thus have enough money to pay for their children's schooling or ensure that they have access to a health insurance plan, like the one we

Our partnership with the farmers allows for complete traceability of the vanilla. More than 40 Symrise inspectors help ensure this by keeping in constant contact with the farmers.

initiated for them. Most notably, committed Symrise employees are locally present 365 days a year. We understand the situation and the environment the farmers live and work in. That generates trust.

But where does this translate into a competitive advantage?

Take for example the issue of raw material supply. For the farmers, it is an attractive proposition to sell their vanilla to us and continue doing business in this way. Our customers can thus also be confident that we will continue to supply them with high-quality products in the future. In the end, this strategy means that we as a company are ensuring that we use our resources efficiently and in a manner that is focused on value creation.

That all sounds well and good in times of double-digit growth – but how sustainable is a sustainability strategy in times of crisis?

A provocative response to this question would be to say that there is one thing that companies cannot afford – regardless of whether business is booming or slumping – and that is to not have a firm sustainability concept! To underscore it once more, what we have developed with this strategy is a profitable business model. We will benefit from this model in good times, and even more so in difficult times.

In 2012, the sustainability business model reached a new milestone. Over 1,000 farmers in 29 villages are now certified by the Rainforest Alliance. Laurence Briand and her team worked closely with the farmers for many months to support them in this process: They explained the principles of sustainable agriculture to them, highlighted what these principles mean for their farms and partnered with them in implementing guidelines. The result: Symrise can offer its customers premium vanilla, cultivated in accordance with high social and environmental standards – including

Organic, Fair Trade and Rainforest Alliance certifications. This approach pays off, explains Stephan Sielaff: “Many of our strategically important customers consider us the leading experts on vanilla and its sustainable procurement.”

Symrise received special recognition of its sustainability concept in 2012 – winning the German Sustainability Award in the “Germany’s Most Sustainable Initiatives” category. The award is given to companies that show a special degree of responsibility and combine economic success with social responsibility and environmental protection in an exemplary manner. “With this initiative, Symrise is improving the social and economic situation for the local producers while at the same time guaranteeing its raw material supply in a sustainable manner,” praised the jury.

Briand traveled from warm Madagascar to wintry Düsseldorf for the award ceremony, which was supported by the German Federal Government as well as various economic associations and civic organizations. She held the award as a representative of her entire team, who were cheering in 35°C (95°F) heat and nearly 100% humidity in Madagascar. “This award fills us with pride,” she exclaimed. “It is a significant recognition of our sustainability efforts and particularly of my colleagues in Madagascar, who support the farmers there on a daily basis.”

“With vanilla, we have learned how successful sustainable business can be,” concludes Sielaff. “That is why our commitment in Madagascar will continue to grow.” The company is currently building a new plant and warehouse there, which will more than double production capacities. “We are still a long way from the end of this journey.”

Well over 1,000 farmers have been registered and trained by Symrise and have (subsequently) received the certification by the Rainforest Alliance. The company's comprehensive training and support offers improve the farmers' economic situation. They rightly take pride in their achievements and the co-operation builds trust.





“With vanilla, we have learned how successful sustainable business can be.”



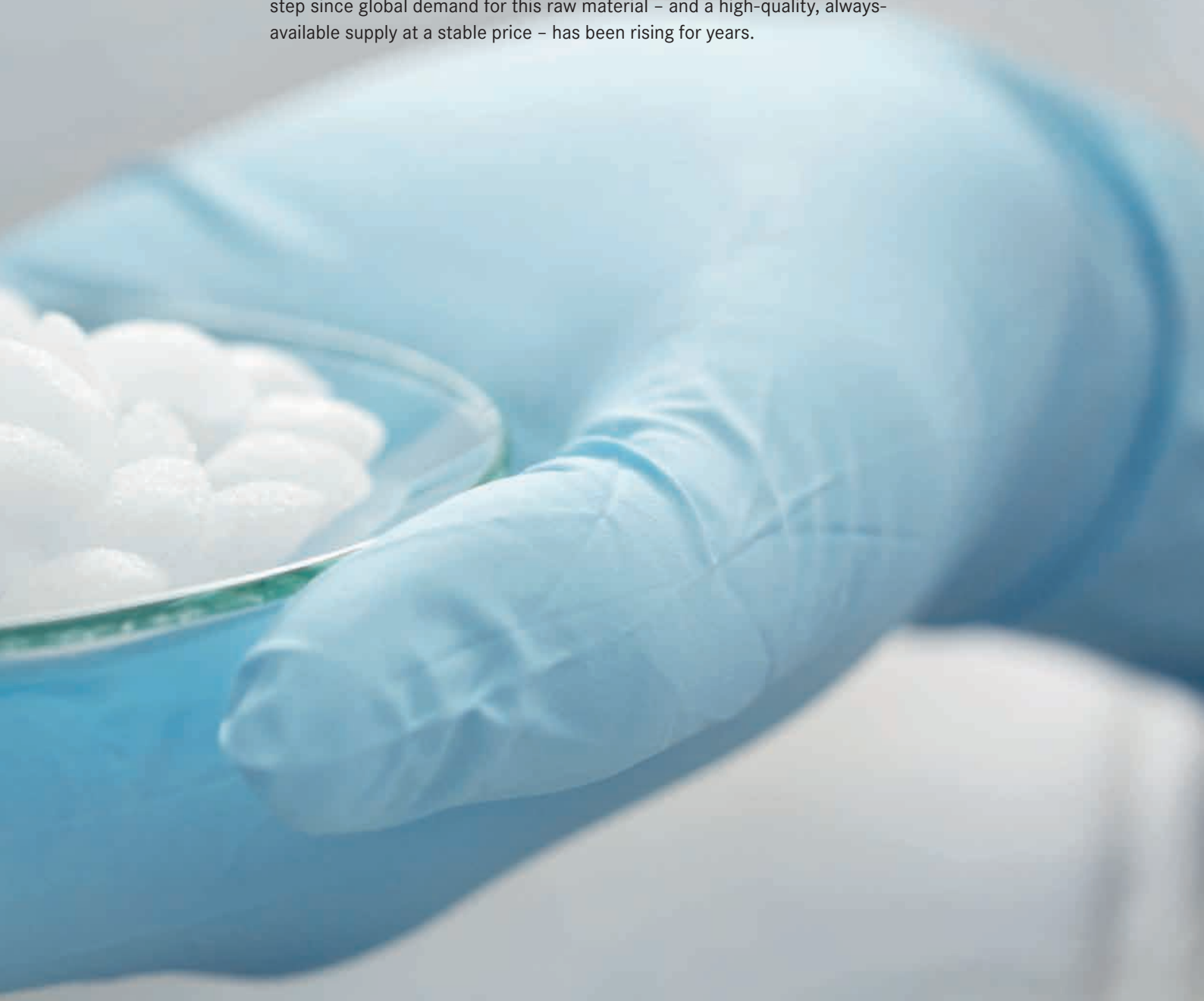
A close-up photograph of a laboratory setting. A person wearing a blue lab coat and blue nitrile gloves is shown. One hand holds a glass petri dish filled with numerous small, white, irregularly shaped crystals. The other hand uses a pair of metal tweezers to carefully pick up one of these crystals. The background is softly blurred, showing more of the lab coat and the petri dish.

99.9 %

PURE: SYNTHETIC MENTHOL FROM SYMRISE MEETS
THE HIGHEST QUALITY STANDARDS. MOREOVER, IT
IS PRODUCED IN A HIGHLY EFFICIENT AND ENVIRON-
MENTALLY FRIENDLY MANNER.

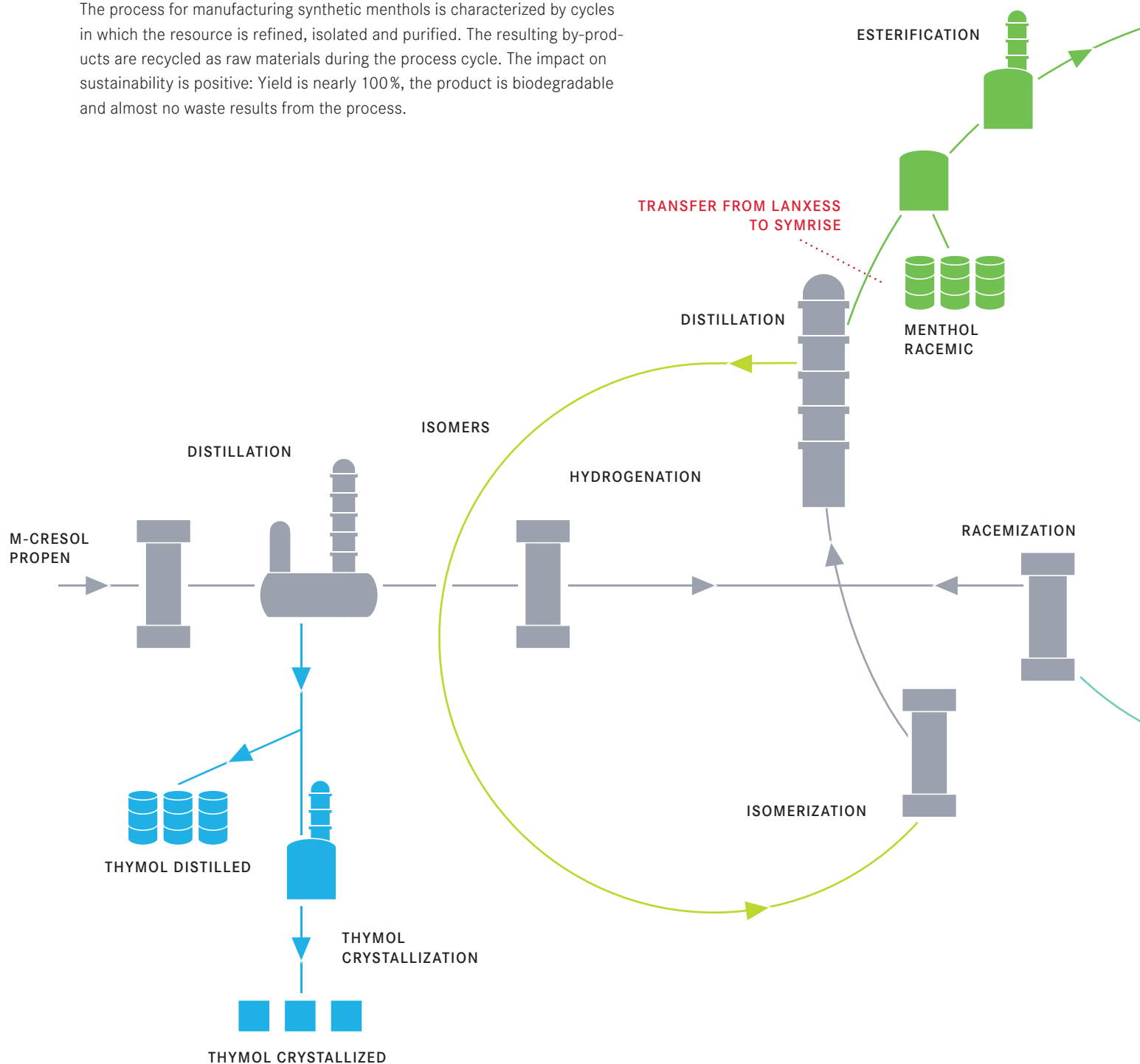
Menthol on Everyone's Lips

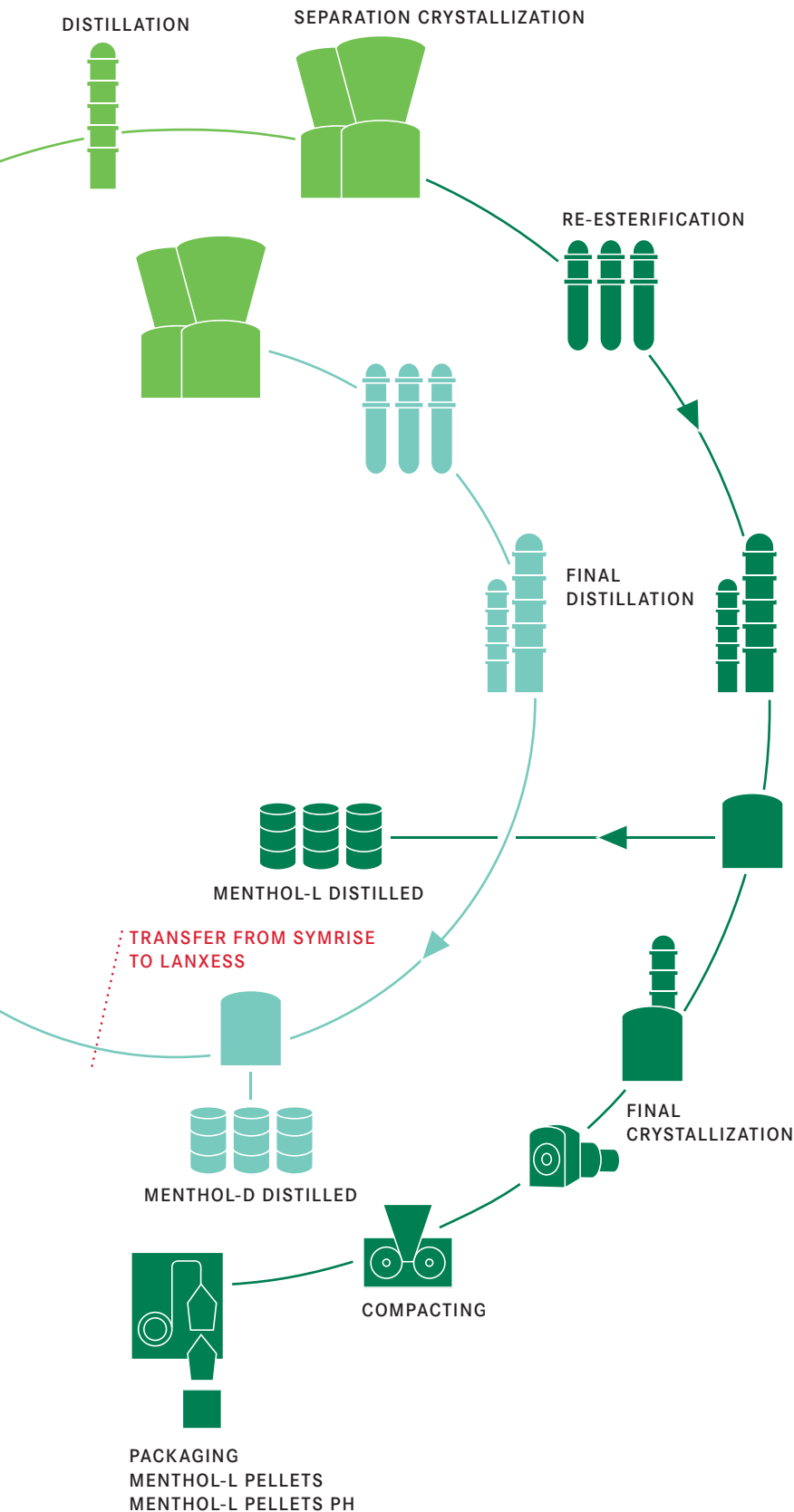
CONSISTENTLY EFFICIENT Symrise invested € 16 million to expand the production of synthetic menthol at its headquarters in Holzminden. In doing so, the global market leader doubled its capacity. This marks an important step since global demand for this raw material – and a high-quality, always-available supply at a stable price – has been rising for years.



The Symrise Menthol Cycle

The process for manufacturing synthetic menthols is characterized by cycles in which the resource is refined, isolated and purified. The resulting by-products are recycled as raw materials during the process cycle. The impact on sustainability is positive: Yield is nearly 100%, the product is biodegradable and almost no waste results from the process.





Reinhard Nowak climbs a steep spiral staircase up a 27-meter-high facade. “Be careful. Don’t let go of the handrails,” he advises. The manager of the menthol production plant looks briefly toward the hills along the Weser river from the top of the building as it shines silver in the sunlight. “A lovely view,” he says. One that he rarely enjoys in peace and quiet. Work awaits him behind the metal door – and a completely different world.

A world of silver and black-lined pipes, boilers, reactors, columns and an endless number of supply lines. The fourth floor of the expanded menthol production facility at Symrise’s headquarters in Holzminden is a high-tech manufacturing plant. It became operational in June 2012, after just 560 days of planning and construction. The air is dry and warm – with a hint of mint. “We take samples here on a regular basis,” Nowak explains. “That’s why it smells a little like menthol. Apart from that, the process runs in a closed system and is odorless as far as the outside world is concerned.”

The synthetic raw material is the most important single product in the company’s portfolio. It is supplied to around 500 customers – ranging from multinational organizations to medium-sized companies – in a market where Symrise is the worldwide leader. “We expect the demand for menthol to grow at an above-average annual rate in the future,” says Norbert Richter, head of the Aroma Molecules business unit. “And the share of synthetic menthol will also increase.”

The doctor of chemistry is in charge of the expansion of the production facilities. “Over the past few years, we have continually optimized our existing plant and already were able to boost our capacity as a result,” Richter says. “But we had so many business opportunities that the old facilities were simply not enough. With our increased capacities, we can minimize the enormous price fluctuations on the global market for our customers and deliver unwavering quality at all times.”

A driving factor for the rising demand comes from the dental and oral care market segment, explains Richter, who is also responsible for the second menthol production plant in Bushy Park, near Charleston, South Carolina. “Rising living standards mean that more and more people use toothpaste or mouthwash – preferably with a mint flavor. The biggest growth can be seen in Asia,” he says. By the same token, the pharmaceutical industry needs an increasing amount of menthol, which they use in a range of medications to cool, promote blood circulation and relieve pain. Furthermore, Symrise also sells the raw material in a spray-dried form for use in candy or chewing gum. A number of derivatives produced are also used in shower gels or other products for the cosmetics industry.

The new production facility will double Symrise’s capacities in one fell swoop. The expansion – a € 16 million investment – was carried out during normal operations. This is evident in the production hall today. The new facilities are located in a new building, which is connected to the old building by a staircase. During the expansion work, the old equipment was running at capacity. “A precise and well-thought-out schedule made it possible for us to minimize the amount of downtime caused by the expansion. Indeed, the longest period of downtime was just two weeks,” explains Nowak proudly. Together with the Symrise subsidiary TESIUM, the chemical engineer and trained chemical lab technician – who, after all, has spent 16 of his 25 years at Symrise working with this valuable aromatic compound – planned the production expansion.

At the heart of menthol synthesis is a method that Symrise developed 40 years ago, together with LANXESS AG – formerly Bayer – which continues to produce the base material today. LANXESS produces so-called “racemic menthol” from the raw material thymol and delivers it to Symrise in large tanks every day. It is then separated into l-menthol and d-menthol. While l-menthol corresponds to natural menthol, the d-menthol is completely returned to the process as a raw material.



Symrise applied the guidelines of good manufacturing practice (GMP) for the design, construction and operation of the expanded menthol production plant. Employees check the product's safety and quality at regular intervals.

“With our increased capacities, we can minimize the enormous price fluctuations on the global market for our customers and deliver unwavering quality at all times.”



However, the separation is not easy. “We can’t use standard separation processes such as distillation or crystallization. The substances also do not have different polarities or solubilities,” Nowak says. The challenge thus lies in separating them despite these obstacles. “We use a chemical reaction to produce subtle differences in the physical properties of the molecule,” he says, highlighting Symrise’s crucial expertise. “And we make use of these differing properties in order to perform the separation.”

In addition to increasing capacity, Symrise has also improved the process. “The great innovation has been the continuous operation of our pipe reactors, which we have followed with an equally unceasing distillation process,” Nowak says. “This has made us significantly more efficient.” Moreover, auxiliary materials can be almost fully reused, leaving only trace residue. Symrise has also reduced the energy used in the process by making use of heat recovery, for example.

In order to achieve both savings and an optimized production process, engineers and plant technicians adjusted thousands of parameters during the first few months. “We optimized pressure, temperature and flow rates using measuring instruments in the reactors and columns,” Richter says. In his view, such fine-tuning is crucial for gaining a key advantage in terms of expertise. “We have acquired so much experience with the processes that we have been able to improve efficiency in many areas. And we will continue doing so in the years to come.”

Synthetic menthol is Symrise’s most important individual product. It is supplied to around 500 customers – ranging from multinational organizations to medium-sized companies – in a market where Symrise is the worldwide leader.



Dr. Norbert Richter studied chemistry in Göttingen and, after acquiring his doctorate, worked at Colorado State University in the USA. He began his career in 1991 at a pharmaceutical company in Germany. In 1998, he joined Symrise, where he has already held a number of managerial positions at locations in Mexico and the USA, among other countries.

Consistent, Safe and High-Quality

According to Dr. Norbert Richter, synthetic menthol has many advantages over its natural counterpart. In an interview, the head of the Aroma Molecules business unit at Symrise explains how important the production of nature-identical aromatic compounds is for both the environment and the growing markets.

Dr. Richter, Symrise is producing increasing quantities of synthetic menthol. What sets it apart from natural menthol?

The supply and price of natural menthol fluctuate dramatically because it is a completely natural product. Synthetic menthol is not subject to such fluctuations. Furthermore, we produce synthetic menthol year-round, regardless of season or climate. After all, customers require the same very high standard of quality at all times.

“We produce synthetic menthol year-round, regardless of season or climate.”

Is synthetic menthol of a higher quality?

Yes. The purity of natural menthol is between 96 and 99%. We achieve 99.9%. Moreover, nature-identical menthol can be processed more effectively. It dissolves four times faster, which accelerates and facilitates the customers' processes. Symrise meets high quality standards during production. These are externally audited by government agencies and testing organizations as well as by the customers themselves, who also carry out audits at our facilities. Not least because our menthol is also approved for pharmaceutical use.

What does that mean?

We manufacture according to good manufacturing practice procedures. GMP provides guidelines for

production processes and the production environment, which enable us to achieve a high level of quality on a consistent and reproducible basis. This means safety – for customers and consumers.

You use crude oil as a raw material in the production of synthetic menthol. This doesn't exactly sound like a sustainable practice.

First of all, the careful use of non-renewable resources is especially important to us. We use up nearly all of this raw material, meaning that virtually no waste is produced and the product is biodegradable. Furthermore, the extraction of natural menthol is not any more sustainable.

What are the challenges posed by natural menthol?

The plant that is the primary source of the desired l-menthol is called *mentha arvensis*, also known as field mint. Its menthol content depends on both the climate and the quality of the soil. Most mint now comes from India. The amount of land used for this purpose is immense. Farmers produce between 20 and 25 tons of mint per hectare annually, from which 125 to 200 kilograms of mint oil can be extracted. In turn, 30 to 70% of this constitutes menthol. However, yields per hectare are shrinking because the soil is being depleted of nutrients. More and more fertilizer and water needs to be used. By the same token, the subsequent process of distilling peppermint oil using basic equipment is very energy-intensive – as are the next steps in the process.

If all these points are considered, could the industry do without synthetic menthol?

No, definitely not. The rapidly growing demand could not be met with natural menthol – and attempting to do so would not be environmentally responsible.



Global Proximity

GLOBALLY LOCAL The new Center of Excellence in Granja Viana, Brazil, combines research and development, sensory and consumer insight, marketing and creation, sales and market research – allowing employees to better cooperate across product segments. Located near the metropolis of São Paulo, the new facilities were designed to be sustainable and energy efficient. The site also borders on a part of the Atlantic rainforest – a natural treasure the company is working to protect.



“Our segment has seen double-digit growth for 30 years now and we continue to gain an ever-increasing share of this growing market.”

Eder Ramos, President of the Scent & Care division for Latin America

The standard of living in Brazil is rising at a quick and constant rate. This is creating above-average growth in demand - not only for care products but for luxury products as well. The country is currently the world's largest sales market for perfumes, deodorants and personal care products.

Ferns measuring four to five meters in height stretch upwards. Bright blossoms in yellow, blue and violet decorate the forest canopy. Multicolored butterflies and a vibrant array of birds stand out against hundreds of different plants in all shades of green. The view from the Center of Excellence in Brazil's Granja Viana is simply breathtaking.

The new Symrise center for the Latin American region is nested within a tropical paradise. It borders on a 22,000-square-meter portion of the Mata Atlântica – the highly endangered Atlantic forest that once covered up to 15% of Brazil. Not far from São Paulo and its 20 million residents, around 140 employees from both divisions are working together for the first time in the same complex – which is an impressive sight on its own. Bright colors and modern furnishings, along with high-tech laboratories and showrooms, dominate two glass structures connected by bridges.

An inspiring workplace in the perfect location: Brazil is the world's largest sales market for perfumes, deodorants and baby care products as well as the third largest market for cosmetics in general – and it continues to grow at an impressive rate. "Our segment has seen double-digit growth for 30 years now and we continue to gain an ever-increasing share of this growing market," says Eder Ramos, Regional President of the Scent & Care division for Latin America. "Our major customers are investing a great deal in both Brazil and the rest of Latin America. With our local team, we can better research the needs and preferences of the people in this region while developing and improving targeted products."

The same holds true for the Flavor & Nutrition division, which Walter Ribeiro oversees as Regional President. He considers the center's extraordinary location to be a particular highlight. "We are only 20 kilometers away from the vibrant metropolis of São Paulo and can quickly get to our production site and our Global Citrus Center in Sorocaba – all while avoiding rush-hour traffic. We are now able to provide our customers with a mean-

ingful visit to our facilities in a single day," explains Ribeiro as he gazes out of his office window at the emerald treetops. "We used to be located in an industrial park on the edge of São Paulo, where we had no possibilities for expansion. The significant growth experienced by the two divisions over the past several years made it necessary to find a place with both the space and infrastructure compatible with our vision of becoming our customers' first-choice and fully integrated partner.

EXHIBITING EXPERTISE

Along with convenience, there is another major advantage for customers. "To more effectively communicate our know-how, we needed to do a better job of presenting ourselves and needed to have a stronger connection to the perfumery world," says Ivone Frias, Vice President for Fragrance Development in Latin America. "We need the connection to the people, moods and emotions of this region as well as a representative, inspiring and, of course, functional building." A peek inside the cutting-edge scent laboratory – where innovation is put to the test in washing machines, showers and even a hair salon – makes it clear that these criteria have been fulfilled.

"You can see how much we succeeded by the reactions of our customers when they walk in. They love to come here," Frias says. She is in charge of the fragrance development team, which in turn needs to know its customers and consumers inside and out. "We have to give our perfumers detailed information so that they can focus their creativity – and we can only do this if we work closely with our customers," she says. The frequent and rewarding visits at the new center are already paying off. The project pipeline is growing and has achieved the highest level of any site in the Scent & Care division thus far.



Walter Ribeiro has worked at Symrise since 1993. The President of the Flavor & Nutrition division for Latin America began his career in Rio de Janeiro and came along with move to the new site in São Paulo. Along with other responsibilities, he was in charge of quality management and production.

“The significant growth experienced by the two divisions over the past several years made it necessary to find a place with both the space and infrastructure compatible with our vision of becoming our customers’ first-choice and fully integrated partner.”

“Our major customers are investing a great deal in both Brazil and the rest of Latin America. With our local team, we can better research the needs and preferences of the people in this region while developing and improving targeted products.”

The President of the Scent & Care division for Latin America has gained a wealth of experience during his time at Symrise. Eder Ramos has worked at the company for 30 years. After finishing his studies in marketing and communications, he worked at various locations in Germany as well as in Paris.



MORE CREATIVITY AS A TEAM

In addition to the advantages for cooperation with customers, Symrise has also created an inspiring workplace for its employees. “The building was designed to facilitate communication,” says Ramos, who has been with the company for 30 years and was inspired in part by his time at the Center of Excellence in Clichy, France. He developed the concept in close cooperation with Walter Ribeiro. “In the beginning, we thought a lot about how we wanted to arrange the employees and quickly realized that we wanted to go in an interdisciplinary direction,” Ribeiro adds. The Sales and Marketing departments for both the Scent & Care and Flavor & Nutrition divisions now work together in a modern, open-plan office. There was no way to arrange this at the old location.

Even the laboratories can cooperate more easily than before. “Our flavor specialists are currently helping us here in the fragrance segment with the environmentally-friendly Symtrap® technology, which allows flavors to be strongly concentrated,” explains Ricardo Omori, Vice President Scent & Care. “Of course, we used to exchange ideas and experiences before, but this physical proximity takes it to another level.” The S&C division is also showing increasing interest in F & N’s Think Mint® collection. “Along with our applications in chewing gum or sweets, we can also contribute input for dental and oral care products,” says Marina Montagner, who works in Flavor & Nutrition’s marketing department.

The exchange of information works just as well in the other direction. “We share information,” says the 22-year-old marketing graduate. “For instance, we can learn from S & C how to better describe fragrances – their know-how complements ours very well.”

Each division itself also benefits from the new building. The specialists have considerably more space and updated equipment, which has made a notable improvement in their work for customers. “We installed a pilot plant where we can anticipate what the customer is planning to use our

flavors for. This is definitely a competitive advantage as it allows fast and cost-effective trials of innovative product concepts, speeding up our go-to-market process as well as those of our customers,” says Ribeiro.

ECOLOGY RIGHT OUTSIDE THE WINDOW

The neighboring portion of Mata Atlântica played a big role in the decision to relocate to the site. “Here, we can integrate our environmental commitment directly with our business. Many of our products focus on nature, and this gives us a great opportunity to give something back to it,” Ribeiro says. Symrise took on a major responsibility with the property. “We cannot interfere with our surroundings and have to maintain their natural form – just like in a national park.” Symrise has commissioned an NGO to care for the forest. The totally accessible building was also constructed with the environment in mind. Used water is processed and recycled back into the system. 80% of the walls are made of glass. This creates both a pleasant atmosphere as well as major energy savings – artificial lighting is rarely needed.

Employees enjoy the special working conditions at the center, including its approach to the much-discussed issue of work-life balance. “Most of us were already living nearby and now have a much shorter commute,” says Luciano Koller, who now only spends an hour driving each day instead of two. As Regional Account Manager, he is often on the road: “It is definitely easier because we now can drive in the opposite direction of rush-hour traffic.”

The 40-year-old food engineer has worked at Symrise for eight years and is responsible for the regional account management of a major global customer as well as six local customers. “The new center is fantastic for our customer contacts. They can visit us here and enjoy the pristine atmosphere while discussing projects with our technicians.” The complex has many advantages, Koller says. It is much greener, quieter and better ventilated – and thereby better suited for the flavorists and their refined senses.



The new Center of Excellence in Granja Viana consists of a two-part building complex that covers roughly 8,000 square meters. A total of about 37,000 square meters of usable space is available to employees throughout the multi-story buildings.



“Here, we can integrate our environmental commitment directly with our business. Many of our products focus on nature, and this gives us a great opportunity to give something back to it.”

Walter Ribeiro, President of the Flavor & Nutrition division for Latin America

Others have also taken notice of the sustainably designed working environment. Large Brazilian corporations enrolled in sustainability certification or award programs have to audit their suppliers more often. “After one of these audits, the entire board of a major customer came for a visit to Granja Viana because they were enthusiastic about the report they received from the auditors,” Ribeiro recalls. “They were very impressed with our work here.” Ramos agrees: “They thought we had the best working environment in our industry,” he says. “That makes us proud.”

Report & Appendix

Goals and Measures

ECONOMY

LONG-TERM GOALS		STATUS IN 2012	GOALS/MEASURES IN 2013
Growth	Our sales should grow faster than the market over the long term (2 to 3% per year on average)	Sales growth: +9.6% to € 1,735 million Fourth largest company in the F&F industry Market share 10% ¹	Sales growth > market growth
	We want to consistently be among the most profitable companies in the industry	EBITDA margin: 19.5%	EBITDA margin: about 20%
Profitability	We want our shareholders to participate in our economic success by way of the attractive dividend we distribute	Dividend proposal for fiscal year 2012: € 0.65 per share Earnings per share: € 1.33	Earnings per share > 2012
	The ratio of net debt ² to EBITDA should be in a corridor between 2.0 and 2.5 in the medium term ³	Net debt ² /EBITDA: 2.4	Net debt ² /EBITDA: 2.0 to 2.5
Finances	An increase in the proportion of products in our portfolio that contribute to health and well-being	25% of sales	Above-average growth in the Life Essentials and Consumer Health segments
	We develop new active ingredients for healthier nutrition and skin protection	Numerous new ingredients were brought to the market. An overview can be found on pages 90/91.	Continued emphasis on research and development in these areas
Portfolio			

1 Related to the relevant AFF market of € 16.9 billion

2 Including provisions for pensions and similar obligations

3 It is possible to exceed this range in the short term, by making acquisitions within the framework of our strategy, for example

ENVIRONMENT

LONG-TERM GOALS		STATUS IN 2012	GOALS/MEASURES IN 2013
Minimizing Our Ecological Footprint	33% less CO ₂ emissions by 2020 ¹	Change of - 5.4 % ¹	CO ₂ emissions: - 4 % ²
	33% less energy consumption by 2020 ¹	Change of - 4.2 % ¹	Energy consumption: - 4 % ²
	33% less waste volumes by 2020 ¹	Change of - 10.7 % ¹	Waste volumes: - 4 % ²
	33% less water consumption by 2020 ¹	Change of - 2.4 % ¹	Water consumption: - 4 % ²
	33% less wastewater production by 2020 ¹	Change of - 9.9 % ¹	Wastewater production: - 4 % ²
Consistent Application of Sustainability Criteria When Sourcing Raw Materials	Reducing the environmental impact of our processes and systems	Biodiversity check as part of the EU Life program; analyzing energy efficiency at multiple locations	Implementation of recommendations from the biodiversity check; development of a highly efficient and low-emission system for generating energy in Germany
	Continually increasing process efficiency	Double-digit efficiency increases with Symchronize™ in 2011 and 2012	Green Chemistry: Complete redesign of processes
Consistent Application of Sustainability Criteria When Sourcing Raw Materials	Improving the environmental impact of strategic synthetic raw materials	Opening of a highly efficient menthol production plant	Research projects on renewable sources of raw materials
	Increasing the share of raw materials that meet agricultural sustainability standards	SAN ³ certification for our vanilla	GAP ⁴ certification for our onions
	Increasing the share of raw materials certified according to sustainability standards	Expanding our portfolio of raw materials for perfumery certified by Ecocert	Expanding the volume of our vanilla certified by the Rainforest Alliance

1 Compared to the base value from 2010 per ton of product sold

2 Compared to the previous year's figure per ton of product sold

3 Sustainable Agriculture Network

4 Good Agricultural Practice

EMPLOYEES

LONG-TERM GOALS		STATUS IN 2012	GOALS/MEASURES IN 2013
Constantly Increasing Employer Attractiveness	Minimizing unwanted employee fluctuation	Fluctuation rate: 5.3% (previous year: 5.5%)	Further reduction of the fluctuation rate
	Active involvement of our employees in the company's development	International Employee Engagement Survey 2012	Implementation of the measures derived from the survey
	Transparent communication with our employees	Redesign of the employee magazine based on global reader survey; internal communications campaign on our corporate values	Redesign of internal online media; further expansion of our campaigns on commitment and responsibility
Expansion and Retention of Employee Know-how	Providing appropriate and relevant professional development measures	Professional development expenses: € 2.5 million (previous year: € 2.6 million).	Targeted support of our employees with training and professional development through career@symrise
	Encouraging professional development and the assumption of responsibility	Introduction of a placement ratio for internal applicants	Implementation of the introduced guidelines
	Introduction of an initiative for career development: career@symrise	Successful launch of the career@symrise module regarding career and succession planning	Individual career development and succession planning for all positions at the manager and director level
Promoting Diversity Among Our Employees	Promoting the diversity of expertise	Targeted promotion of specialist and managerial career paths through our job grade model	Retention and support of our high level of diversity and implementation of multicultural training sessions
	High proportion of local employees	> 90% (at previous year's level)	
Maximizing Occupational Safety and Health	Low accident rate (MAQ) ¹	MAQ: 5.3 (previous year: 3.2)	Introduction of a new awareness campaign and implementation of intervention programs in target areas
	Low accident severity (USQ) ²	USQ: 99 (previous year: 43)	

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

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

SOCIETY

LONG-TERM GOALS		STATUS IN 2012	GOALS/MEASURES IN 2013
100% Responsible Sourcing	Performing sustainability and risk evaluations for key raw materials	Recording sustainability criteria for important raw materials as part of a biodiversity check	Implementation of raw materials-related recommendations from the biodiversity check
	Assessment of our 250 most important suppliers according to SEDEX criteria by 2015	> 50 suppliers have been assessed	Assessment of at least 50 more suppliers
	Development and expansion of strategic initiatives on sustainable sourcing with a focus on creating shared value	New initiatives: lavender, shea butter and vetiver Expansion of initiatives: vanilla, vegetables	Identification of further focal points in Fragrances and Life Essentials
	Promoting industry standards for sustainable sourcing	Sustainable Vanilla Initiative (SVI): Working towards the development of a sustainability standard for the vanilla sector	Further promotion of SVI
	Cooperation with NGOs and other stakeholder groups	Expansion of our cooperation with PlaNet Finance in Ghana and Madagascar as well as collaborations with a number of local NGOs	Transfer of our experiences to other segments
Promotion of Social Projects with a Focus on Education and Health	Encouraging the involvement of our employees in social projects and development of a company-wide volunteer program	Volunteer teams were formed at sites in every region, in which employees lent their time and efforts to social and ecological projects – during their working hours and beyond	Strengthening existing structures and promoting further internal involvement
	Evaluating needs in the areas around our sites and initiating relevant and focused projects	The newly formed Sustainability Care Teams have started projects based on local needs in Brazil, India and China, among other places	Assessing the success of these projects and further concentrating our donation budget on these areas
	Establishment of a global guiding principle for our social commitment – Symrise. Because We Care.	The concept was approved in 2012 by the network of sustainability ambassadors	Identifying corresponding global projects

Business Development

In a challenging environment characterized by high raw materials costs and differentiated sales developments in the various regions, the Symrise Group managed to improve its market position in the 2012 fiscal year.

GLOBAL ECONOMIC CONDITIONS

International economic activity continued to weaken in 2012. In many countries, the effects of the 2008/2009 recession continued to be felt, for instance in the form of elevated unemployment or high debt levels in both public and private budgets. The crisis in the eurozone only added to this and its impact spread beyond the financial sector and into the real economy. Consumer confidence, and therefore consumer demand from private households, was also negatively impacted by the crisis (at least in the eurozone) and had a clear effect on the business activities of Symrise and many of its customers. According to the calculations of DIW Berlin (the German Institute for Economic Research) from January 2013, global economic performance increased by only 3.2% in 2012, following 4.2% in the previous year.

In 2012, economic output in the eurozone decreased by 0.4% (2011: + 1.5%). Consumer demand continued to be weak in Southern Europe, owing to high unemployment and falling levels of disposable income. In Germany, economic growth slowed from 3.0% in 2011 to 0.8% in 2012.

Symrise is currently generating nearly half of its sales in the developing and emerging markets.

Although the economic development of these countries was also negatively affected by the weak demand coming from industrialized nations in 2012, the growth course for this group of countries continued its comparably rapid ascent. While the economies of the industrialized nations only expanded by 1.2% (previous year: 1.4%), economic growth in the emerging markets amounted to 5.2% for the year under review, down from 7.2% in 2011.

Symrise benefited from its favorable market position in the emerging markets in the 2012 fiscal year.

DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group is growing at a long-term rate of 2% to 3%. For 2012, the market volume amounted to € 16.9 billion. The flavors and fragrances market segment as well as the market segment for aroma chemicals also showed a similar development over the past fiscal year.

SALES AND EARNINGS

Sales rose by 10% compared to 2011, amounting to € 1,735 million for the reporting year. Sales growth at local currency of 6% was achieved.

OVERVIEW OF KEY PERFORMANCE INDICATORS

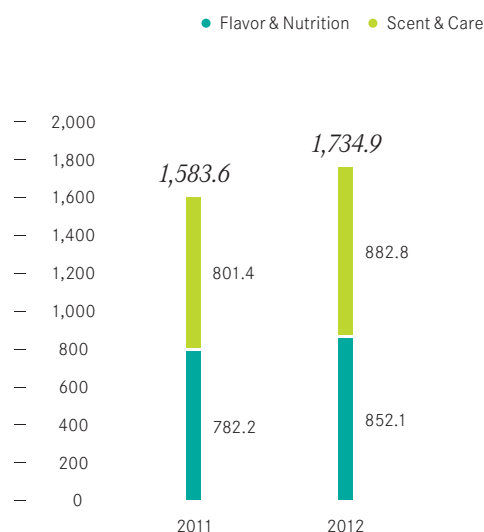
€ MILLION	2011	2012	CHANGE IN %	CHANGE IN % AT LOCAL CURRENCY
Sales	1,583.6	1,734.9	9.6	6.4
EBITDA	315.9	338.9	7	4
EBITDA margin in %	20.0	19.5		
Net income	146.5	157.5	7	
Earnings per share in €	1.24	1.33	7	
Net debt (incl. provisions for pensions and similar obligations) to EBITDA (Dec. 31) ¹ ratio	2.4	2.4		

¹ Prior-year figures adjusted as a result of changes to accounting policies in 2012 (see note 2.2)

Sales in the EAME region increased by 2 % (at local currency: 1 %). The North American region developed very positively in the 2012 fiscal year and achieved growth of 17 % compared to the previous year (at local currency: 8 %). Sales in the Asia/Pacific region were also positive and posted 15 % growth (at local currency: 9 %). The greatest rates of increase were seen in the Latin American region. Sales there were up by 20 % compared to the previous year (at local currency: 21 %).

Sales in emerging markets exceeded the previous year's figures at local currency by 11 %. The share of this group of countries in total sales was 48 % in the 2012 fiscal year (2011: 46 %).

SALES DEVELOPMENT OF THE SYMRISE GROUP (IN € MILLION)



SALES BY REGION

€ MILLION	2011	2012	CHANGE IN %	CHANGE IN % AT LOCAL CURRENCY
EAME	771.2	785.4	2	1
North America	270.7	316.8	17	8
Asia/Pacific	350.8	404.5	15	9
Latin America	190.9	228.2	20	21
Total	1,583.6	1,734.9	10	6

Scent & Care generated sales of € 883 million in 2012 (previous year: € 801 million). This represents a growth of 7 % at local currency. EBITDA for the division increased by 2 % at € 161 million (previous year: € 158 million) while the EBITDA margin amounted to 18.2 % (previous year: 19.7 %). Flavor & Nutrition increased its sales at local currency by 6 % in 2012 to € 852 million (previous year: € 782 million). EBITDA for the division increased by 12 % to € 178 million (previous year: € 158 million) while the EBITDA margin expanded from 20.2 % to 20.9 %.

Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDA) for the Symrise Group improved from € 316 million in the previ-

ous year to € 339 million in the reporting period. The EBITDA margin decreased slightly from 20.0 % to 19.5 %. Continued high raw material costs and start-up costs for the new menthol production line were the main reason for this development, since they were not completely offset by measures to increase efficiency.

In 2012, the cost of sales rose by € 104 million, or 11 %, to € 1,034 million (2011: € 930 million). The disproportionate rise in costs in relation to sales is mainly attributable to increased raw material costs as well as start-up costs for the new menthol production line. Gross profit increased by 7 % and amounted to € 701 million (2011: € 654 million). The gross margin was 40.4 %, 0.9 percentage points lower than in the

INCOME STATEMENT IN SUMMARY

€ MILLION	2011	2012	CHANGE IN %
Sales	1,583.6	1,734.9	9.6
Cost of sales	-930.0	-1,034.4	11.2
Gross profit	653.6	700.6	7.2
Gross margin in %	41.3	40.4	
Other operating income	12.9	15.7	22
Selling and marketing expenses	-245.8	-267.3	9
Research and development expenses	-107.6	-113.8	6
Administration expenses	-76.8	-80.8	5
Other operating expenses	-1.9	-1.8	-3
Income from operations / EBIT	234.4	252.6	8

previous year (41.3%). Selling and marketing expenses were up by 9 % compared to the previous year, amounting to € 267 million (2011: € 246 million). This corresponds to 15.4 % of Group sales (2011: 15.5 %). R&D expenses increased by 6 % to € 114 million (2011: € 108 million). The R&D rate came in slightly below the previous year's level at 6.6 % (2011: 6.8 %). Administration expenses increased by 5 % to € 81 million (previous year: € 77 million). Administration expenses as a share of Group sales improved again from 4.9 % in 2011 to 4.7 % in the reporting period.

The net income of the Symrise Group increased to € 158 million in the 2012 fiscal year after € 147 million in the previous year. With an unchanged number of shares, earnings per share rose from € 1.24 in 2011 to € 1.33 in the year under review. The Executive Board and Supervisory Board will propose the distribution of a dividend of € 0.65 per share for the 2012 fiscal year to the Annual General Meeting on May 14, 2013. This represents a € 0.03 increase on the previous year's dividend.

FINANCIAL POSITION

The company's cash flow from operating activities increased in 2012 to € 220 million (2011: € 201 million), mainly due to an improved operating result. Liquid funds amounted to € 117 million at the end of 2012 – nearly equal to the previous year's amount (December 31, 2011: € 119 million). Net debt (including provisions for pensions

and similar obligations) rose from € 772 million at the end of 2011 to € 812 million during the reporting year. This is due to the decrease of the discounting rate for future pension payments as a result of the current low interest rates, which thereby increases the present value of pension provisions. The ratio of net debt to EBITDA was 2.4 as of the reporting date in 2012. This is on par with the previous year and remains within the target-corridor of 2.0 to 2.5.

OVERVIEW OF CASH FLOW

€ MILLION	2011	2012
Cash flow from operating activities	200.9	219.5
Cash flow from investing activities	- 58.8	- 86.4
Cash flow from financing activities	- 131.6	-132.2
Liquid funds (Dec. 31)	118.6	117.4

NET ASSETS

Total assets as of December 31, 2012, increased by € 32 million to € 2,152 million (December 31, 2011: € 2,120 million). This was mainly due to an increase in inventories and a rise in receivables towards the end of the year.

As of the reporting date in 2012, intangible assets and property, plant and equipment fell by 2 % to € 1,243 million (December 31, 2011: € 1,266 million), accounting for 58 % of assets. In the report-

ing date comparison 2011/2012, inventories rose by € 35 million, or 11 %, to € 348 million (December 31, 2011: € 313 million). As a result of systematic receivables management, the ratio of working capital to sales decreased by 1 percentage point to 31 %. The Symrise Group's liquidity decreased over the course of the year by € 1 million to € 117 million as of December 31. Non-current financial assets increased to € 17 million due to the acquisition of a stake of € 7 million during the reporting year.

In terms of equity and liability, current liabilities decreased by € 43 million, or 11 %, to € 365 million (December 31, 2011: € 408 million) due to the repayment of bank overdrafts. Non-current liabilities rose by 8 %. This includes non-current borrowings, which amounted to € 450 million at the end of 2012, down from the previous year (€ 462 million). In contrast, provisions for pensions and similar obligations rose by 28 % to € 371 million (December 31, 2011: € 291 million). This increase was due to the considerably lower interest rates for discounting pension obligations. Furthermore, in anticipation of the change to the accounting method for pensions becoming mandatory in 2013, Symrise has already switched from the corridor method to the immediate recognition of changes of actuarial gains and losses in other comprehensive income in the fiscal year 2012.

Symrise AG's equity climbed by 1 % to € 877 million as of December 31, 2012 (December 31, 2011: € 867 million). The equity ratio was unchanged as of the 2012 reporting date at 41 %.

OUTLOOK

We are confident that we will continue to grow at a faster pace than the relevant market for fragrances and flavors in 2013. Estimates for the AFF market project 2 % to 3 % growth worldwide for the year under way. As in the past, both divisions – Scent & Care and Flavor & Nutrition – continue to target sales growth at local currency notably above the market rate.

We remain committed to our strict cost management for the constant improvement of our result. In addition to cost reduction, these initiatives in-

clude price management, portfolio optimization and a focus on innovative products and technologies. Assuming that raw materials prices remain at the level of 2012 and exchange rates do not change significantly from 2012, we once again anticipate an EBITDA margin of about 20 % for 2013.

In 2013, we plan to create 250 new jobs – predominantly in the growth regions of Asia and Latin America. The number of employees in Europe, however, will remain stable. Worldwide personnel costs will increase by about 3 %. We will further intensify our training efforts.

We will continue our policy of paying out attractive dividends and give our shareholders an appropriate share in the company's success.

Symrise's debt, as measured in terms of the key figure net debt (including pension provisions and similar obligations) to EBITDA, should remain between 2.0 and 2.5 in the medium term. It is possible that we will deviate from this range for a short period in order to finance acquisitions that promote our long-term strategy.

How the AFF market will develop beyond 2013 and into 2014 will depend heavily on the economic development of the individual country markets. However, thanks to our global positioning, innovative strength, good relationships with key customers and our unique product portfolio, we are confident that we will exceed the market's annual rate of growth of 2 % to 3 % in both 2013 and 2014. The Symrise Group will do everything it can to maintain and continue its sustainable and profitable growth course.

Symrise on the Capital Market

Symrise finances its business activities by way of equity and debt instruments. Shareholders, investors and other actors on the capital market are therefore important stakeholders for our company. Open communication and the continuous provision of transparent information form the foundation for trusting relationships.

2012 – A POSITIVE YEAR ON THE STOCK MARKET

After a strong start to the year, uncertainties stemming from the European debt crisis negatively impacted stock markets around the world in the second quarter. An assurance from Mario Draghi, head of the European Central Bank, stating that they would do “whatever it takes to preserve the euro” and the adoption of a permanent euro safety net in the fall reenergized the stock and bond markets. The leading German index, the DAX®, closed the year at 7,612 points – an increase of about 29% from the previous year. The Euro Stoxx 50® index for standard values in the eurozone was up 14% on the year at 2,636 points. The Dow Jones® Index in the USA was the least impressive of the group at 13,104 points, representing a growth of only 7% on the year.

SYMRISE STOCK SEES SOLID GAINS

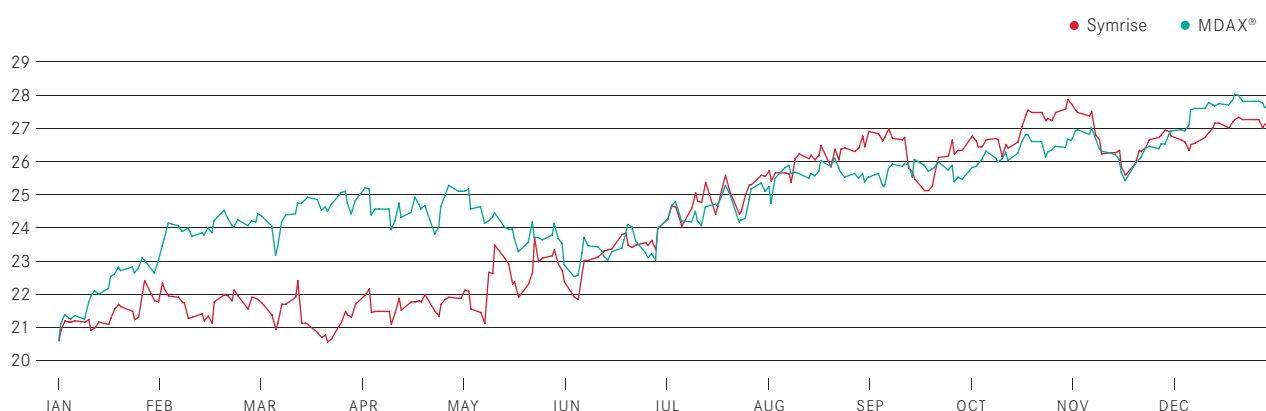
The Symrise share rose in value during the 2012 fiscal year from € 20.62 (end of 2011) to € 27.12 (end of 2012). This amounts to a 32% increase in value. The Symrise share reached its all-time high at € 27.875 on October 30, 2012. The benchmark index MDAX®, which also contains the Symrise share, even gained 34% during the 2012 fiscal year.

SYMRISE ENGAGES WITH THE CAPITAL MARKETS

With our investor relations activities, we aim to further increase Symrise’s visibility on the capital markets while solidifying and expanding the perception of our share as an attractive investment. We are constantly in communication as we seek to strengthen investors’ trust in the Symrise stock and achieve a fair valuation for our share on the capital market with our reliability and openness about our business development and corporate strategy.

The Executive Board and the Investor Relations team are in continuous dialogue with investors and analysts around the world. In 2012, we again engaged in numerous individual and group discussions regarding Symrise’s strategy and business development. For the first time, we presented Symrise to investors who apply particularly high environmental and social standards to their investments as part of an SRI (Socially Responsible Investment) road show in Zürich and Basel. We also offer comprehensive information on the Symrise share and bond at www.symrise.com/en/investor-relations.html.

PERFORMANCE OF THE SYMRISE STOCK IN COMPARISON TO THE MDAX® IN 2012* (IN €)



* MDAX® indexed on Symrise share price

“Symrise distributed dividends totaling € 339 million for the past five years.”

“The stock market values Symrise at € 3.2 billion.”

KEY DATA FOR SYMRISE STOCK

Stock category	No-par bearer shares of common stock
Shares issued	118,173,300 shares
Sector / Stock market segment	Chemicals / Regulated market (Prime Standard)
ISIN / WKN / Symbol / Common code	DE000SYM9999 / SYM999 / SY1 / 27647189
Most important place of trade	Xetra® (electronic trading platform)
Designated sponsor	Commerzbank AG
Indices	MDAX®, EURO STOXX® Chemicals
MDAX® ranking as of Dec. 31, 2011	10 by free float market capitalization / 17 by volume of stocks traded
Initial listing / Offering price	December 11, 2006 / € 17.25

COMPARATIVE PERFORMANCE OF THE SYMRISE STOCK

IN €		2008	2009	2010	2011	2012
Shares issued as of balance sheet date	millions	118.2	118.2	118.2	118.2	118.2
Share capital	€ million	118.2	118.2	118.2	118.2	118.2
Highest share price (Xetra® closing price)		19.28	15.73	22.34	22.74	27.87
Lowest share price (Xetra® closing price)		7.75	7.07	14.98	16.43	20.57
Share price at end of fiscal year (Xetra® closing price)		9.98	14.98	20.53	20.62	27.12
Free float	in %	94.0	94.0	94.0	94.0	94.0
Market capitalization at end of fiscal year	€ million	1,179.4	1,770.2	2,426.1	2,436.7	3,204.9
Average daily trading volume (all German exchanges)	shares, approximately	760,000	470,000	597,000	533,000	349,000
Earnings per share		0.76	0.71	1.13	1.24	1.33
Dividend per share		0.50	0.50	0.60	0.62	0.65 ¹

¹ proposal

KEY DATA FOR SYMRISE BOND

Category	Bearer bond
Total nominal value	€ 300,000,000
Denomination	€ 1,000
Interest rate / Payment date	4.125% p.a. / October 25
Term	October 25, 2017
ISIN / WKN / Symbol / Common code	DE000SYM7777 / SYM777 / SY1A / 54901127
Initial listing / Issue price	October 15, 2010 / 99.399 %
Price as of Dec. 31, 2012	108.22 %

Management

We are convinced that good and responsible management is the precondition and indispensable basis for Symrise's success and for sustainable added value. Our success is founded first and foremost on the trust that our customers, employees and investors place in us. It is our aim to justify and strengthen this trust.

ORGANIZATION AND CORPORATE GOVERNANCE

Symrise is a German stock corporation with a dual management structure consisting of an Executive Board and a Supervisory Board. The Executive Board is responsible for managing the company with the aim of sustainably increasing the company's value. As of December 31, 2012, the Executive Board has four members: Dr. Heinz-Jürgen Bertram (CEO), Achim Daub (President Scent & Care Worldwide), Hans Holger Gliewe (President Flavor & Nutrition Worldwide) and Bernd Hirsch (CFO).

The actions of Symrise AG's management and oversight bodies are determined by the principles of good and responsible corporate governance. The Executive Board and Supervisory Board identify themselves with the objectives of the German Corporate Governance Code, which has established itself as a guideline and standard for good corporate governance in Germany. Symrise AG's Executive Board and Supervisory Board cooperate closely in managing and overseeing the company.

The Board is responsible for managing the company's business operations in the interest of the company with a view to creating sustainable value. The Executive Board develops the company's strategic direction, approves it with the Supervisory Board and is responsible for its implementation. The Supervisory Board advises and oversees the Executive Board in the management of the company. It is involved in strategy and planning as well as all other decisions of fundamental significance to the company. In accordance with the articles of incorporation, Symrise AG's Super-

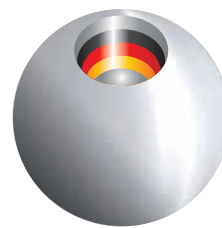
visory Board has twelve members, with six representatives elected by the shareholders and six by the employees. To ensure that the Executive Board is advised and supervised independently, no former Executive Board members serve on the Supervisory Board.

Symrise wants to enhance the company's value over the long term while at the same time increasing the sustainability of the company's actions. Symrise's strategy is derived from these objectives and broken down to the departmental level. To achieve targets, the management has laid down the company's core processes and supporting processes. These standardized processes are described transparently for all employees in a management manual. The effectiveness of such processes is reviewed regularly and adjusted in line with changing requirements as necessary.



Clear Commitment to Sustainability

Symrise signed the United Nation's Global Compact, the world's largest voluntary initiative for corporate responsibility, in 2012. In doing so, the company commits itself to the goals of the compact: uniting entrepreneurial activity with societal and environmental concerns.



German Sustainability Award

Germany's Most Sustainable Initiative 2012

Honored: Symrise Wins German Sustainability Award 2012

Symrise AG won the German Sustainability Award in the category of "Germany's Most Sustainable Initiatives" in December 2012. The company impressed the jury with its approach to the sustainable procurement of vanilla in Madagascar. Symrise works directly with over 1,000 farmers there and improves their socioeconomic situation by means of targeted measures in the areas of nutrition, health and education. The company also benefits from reliable access to high-quality raw materials and offers its customers added value when it comes to obtaining this highly coveted flavoring. The award underscores Symrise's leadership in taking on entrepreneurial, social and environmental responsibility.

To ensure uniform exemplary activity and behavior, a Code of Conduct was drawn up for the entire Group for the first time in 2006 and its guidance is binding on all employees. This Code of Conduct is continuously improved and is based on the company's values and principles. The purpose of the Code of Conduct is to help all employees cope with the ethical and legal challenges of their everyday work, in business relations and in handling information. It provides the framework for interactions with Symrise's key partners and ensures that company processes are transparent, honest and consistent. In the interest of all employees and of the Group, noncompliance is analyzed and the causes remedied. This means that misconduct will be consistently prosecuted in accordance with national laws. Our Code of Conduct was last subject to detailed revision in 2011.

SUSTAINABILITY IN BUSINESS

A global, cross-divisional team, the Symrise Sustainability Board, was established in 2009 to facilitate the strategic integration of sustainability into our core processes. It consists of senior management representatives and ensures both the development and implementation of issues relevant for sustainability across the entire extended value creation chain as well as the consideration of the interests of key stakeholders.

Implementation of the sustainability targets set by the Sustainability Board lies with the business divisions. For this reason, the Executive Board and Sustainability Board appointed global ambassadors to be responsible for the coordination of sustainability efforts in the Flavor & Nutrition and Scent & Care divisions in 2011. Together with representatives from the Corporate Compliance and Corporate Communications departments, they make up the Symrise's Sustainability Core Team.

Under the leadership of Corporate Compliance, the Sustainability Core Team manages the sustainability strategy across the Group. The CEO of Symrise AG is directly responsible for the strategy. Progress on all sustainability activities is reported quarterly to the Executive Board. Furthermore, the company's sustainability targets flow into individual performance targets and thereby into executive remuneration.

A global network of volunteer sustainability ambassadors raise awareness locally of our sustainability strategy, thereby helping to further sensitize our organization. In addition, so-called Sustainability Care Teams located at all of the Group's regional headquarters and at many other locations around the world contribute in many different ways by means of targeted initiatives toward integrating sustainability even more deeply into our business model.

COMPLIANCE

At Symrise, we understand "compliance" as a holistic organizational model ensuring adherence to legal regulations as well as intra-company guidelines and corresponding processes and systems. The focus of compliance activities is on quality, environmental protection, health, work safety, product safety, food safety, risk and value management, antitrust laws and combating corruption. For this reason, the Executive Board of Symrise AG has bundled the corresponding functional units from integrated management system (IMS), corporate auditing, risk and sustainability management in the Corporate Compliance organization. The results of all audits and knowledge gained from risk management are pooled together in this organizational unit. This means that the measures are coordinated more efficiently and that a control instrument is created with which the Executive Board can incorporate aspects relevant to sustainable management into its decision-making.

Argentina, Brazil, Germany, France, the UK, India, Singapore and the USA: The network of Symrise employees who have made it their mission to solidify sustainability within our corporate culture is large and diverse. And continuously growing.



Shaping the Future Together

Symrise sustainability ambassadors from every division and region met up in 2012 as part of a Global Sustainability Workshop. They passionately exchanged experiences and engaged in constructive discussions – resulting in the adoption of numerous concrete measures that will take sustainability at Symrise to the next level.

Corporate Compliance helps business divisions to identify and prioritize the need for regulation as a result of laws, certifications, generally recognized guidelines, ethical standards or the company's process specifications, for example. The business divisions implement process requirements in procedural documents – both globally and locally. Conduct-based regulations are accounted for in the Symrise Code of Conduct and apply to every employee. The local Corporate Compliance offices give advice to the process managers, who implement global guidelines and adjust their processes. The need for local regulation is identified on the basis of national requirements. The headquarters is informed in the event that imports may be affected.

Our integrated management system is based on the international ISO 9001, ISO 14001, OHSAS 18001, ISO 26000, ISO 50001 and SA 8000 standards, the generally accepted audit standards of the Global Food Safety Initiative (GFSI) and other recognized local standards that promote a continuous improvement in performance. We therefore rely securely at all corporate levels on exacting global quality, environmental, health, occupational safety and product safety standards.

Corporate Audit and the IMS audit continuously assess the key business processes and companies of Symrise AG. The auditing strategy of Corporate Audit is to audit every company, including its business processes, at least every four years, which corresponds to an annual audit density of at least

25% of the audit spectrum. Key business processes are assessed every year as part of the IMS audit. Corporate Compliance and Corporate Audit report to every meeting of the Supervisory Board's Auditing Committee.

Five years ago, Symrise set up an Integrity Hotline to ensure that high ethical and legal standards are maintained throughout the company. With this hotline, employees are able to contact Corporate Compliance using toll-free telephone numbers that have been specially set up in individual countries. Furthermore, reports may be submitted using the Symrise Integrity Hotline's online service. An intermediary service operator ensures that employees can retain anonymity where required and communicate in their own native language. Of course, all employees can also contact the Corporate Compliance Office directly and personally.

In 2012, a total of eight cases worldwide were reported via the Integrity Hotline. In each case, investigations were then initiated. No material damage to third parties or to our company resulted from these cases.

In order to ensure that all compliance requirements are consistently met, the need for training is regularly determined and appropriate measures are taken. In addition to training courses where employees are present on site, we are also increasingly offering internet-based training. We are thereby able to reach a larger number of employees in a shorter period of time. Furthermore, every employee can decide more flexibly when and where he or she would like to attend each training course. Final tests ensure that the course material has been understood.

New Symrise employees are given comprehensive training when they join the company on the fundamental principles of our Code of Conduct. In addition to this, we run a variety of training courses on specific aspects. In 2012, compliance training

was carried out at our company sites in all countries for the areas of management, purchasing, sales, finance and order management. During the course of this training, around 1,800 employees were trained in matters such as money laundering, anti-corruption or dealing with agents. Furthermore, around 4,000 employees were invited to participate in a general Code of Conduct training course. A core focus was on sensitizing our employees regarding how to act in a sustainable manner on a day-to-day basis.

We plan to hold training sessions once again on these issues in 2013. Our primary focus is on employee categories that are exposed to the greatest risks and on executive employees, who play a multiplier role in the company.

OPPORTUNITIES AND RISKS

We believe sustainable value creation means eliminating potential risks for the environment, society and the company in equal measure, as well as the early identification and exploitation of opportunities which arise from global megatrends.



Top

Ranking for Sustainability Efforts

Symrise AG is one of the most sustainable chemical companies in the world. This was confirmed by the internationally recognized sustainability rating agency oekom research AG. The agency assessed the sustainability performance of 101 of the world's largest chemical companies. Symrise AG was given a B- grade, placing it at the top of the chemical industry and granting it Prime Status, which qualifies a company as a sustainable investment (SRI). Only four other companies received this status.



Customer and Market Structure

Our customer portfolio is balanced: Our sales are essentially divided evenly into thirds between large multinational customers, regional customers and local customers. And we are aiming for consistent growth with each of these customer groups. About 50 % of our sales are now generated in the emerging markets. We want to continue to grow faster than the market in years to come by harnessing the megatrend of globalization.

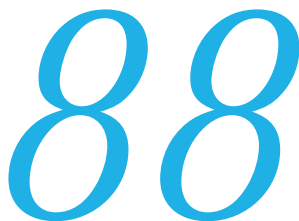
The aim of the risk management system is the identification of potential risks and the avoidance or mitigation of these by implementing suitable countermeasures. Symrise's risk management extends across all Group companies and business units. The coordination of risk assessment occurs at the level of the Corporate Center within the Corporate Compliance department. In 2012, risk reporting was further developed as a management tool for the Executive Board and Supervisory Board.

We analyze risks broken down in the categories of retail and market risks, everyday business risks and financial risks. Under the category of retail and market risks, we group risks relating to product portfolio expectations, the sourcing situation and political stability factors. Purchasing risks as well as risks associated with investments and production, innovation, IT or the environment are taken into account when analyzing our daily business activities. Financial risks include credit risks, liquidity risks, interest and currency risks as well as tax risks.

Our risk management system covers sustainability-relevant issues as a subcategory of all other risk categories – from environmental and industry risks via procurement and product risks to operating risks. In particular, this is how we analyze risks

resulting from the progression of climate change and the increasing scarcity of finite raw materials. The ensuing consequences such as fluctuations in the availability of raw materials, rising energy prices or the tightening of government regulations represent risks for long-term corporate success and therefore are specifically accounted for in our procurement strategy, product development and in the processes along our supply chain.

At the same time, megatrends such as climate change or diminishing resources give rise to a number of potential opportunities – including an increase in sales of certain sustainability-related product groups due to changing consumer behavior. Furthermore, we are of the opinion that our globally uniform and demanding environmental and social standards represent a competitive advantage in view of the increasing number of changes being made to underlying regulatory conditions in developing and emerging markets. In taking advantage of opportunities, it is important that we maintain an acceptable risk profile. By means of appropriate guidelines, we ensure that risk assessments are taken into account in the Executive Board's decision-making processes from the very beginning.



points out of a possible 100

Leader in the Carbon Disclosure Project

According to the assessments of the non-profit organization Carbon Disclosure Project, Symrise factors the risks and opportunities of climate change into its core business and shows a high level of external transparency. With 88 points out of a possible 100, Symrise is one of the highest-rated companies regarding transparency on the MDAX® and is among the top 5 in the chemical industry in Germany, Austria and Switzerland.

AUDITS

Compliance with management guidelines and country-specific legislation is reviewed by Corporate Audit and the IMS audit. The annual audit plan takes every process in the management system into account. Internal IMS audits are carried out in accordance with ISO standard 19011. The Executive Board and the Auditing Committee of the Supervisory Board are regularly informed about this. External audits conducted by customers, authorities and independent certification organizations provide confirmation to Symrise of the ongoing improvement being made to its management systems.

If any inconsistencies are uncovered during audits or quality inspections, the division concerned introduces corrective measures and documents these accordingly. Furthermore, the potential repercussions of these inconsistencies on other processes are assessed, with preventative measures being introduced if necessary. The same applies in the case of complaints. There were no material complaints in 2012 that would have led to fines being imposed due to breaches of statutory regulations governing the provision and use of our products.

In addition to the many regulations that apply to the fragrance and flavoring manufacturing industry, we make further commitments to additional standards within the framework of associations such as IFRA, the International Fragrance Association, IOFI, the International Organization of the Flavor Industry, and other regional and national industry associations and work actively on developing them. Since 1997, Symrise has also followed the guidelines of the Responsible Care initiative in order to achieve a continuous improvement in the areas of safety, health and environmental protection irrespective of statutory requirements and beyond. Other audits to safeguard our supply chain are implemented globally by Symrise (FSSC 22000). Core aspects here include food safety as well as protecting against sabotage, terrorism or unauthorized access to our raw materials and products, such as by using access controls and vigilance tests.

In the course of supplier audits, Symrise is convinced of the performance of the management systems of its suppliers and contract partners. Furthermore, Symrise uses an official and globally recognized platform – SEDEX (Supplier Ethical Data Exchange) – in order to be able to evaluate the performance of its key suppliers. The main focus of the evaluation is on health and safety, integrity and other ethical aspects. It is our long-term goal to evaluate each and every one of our suppliers using this system.

AUDIT PROGRAM 2012

REGION	COUNTRY	SITE	QUALITY ISO 9001	ENVIRONMENT ISO 14001	OHSAS 18001	FOOD SAFETY ISO 22000	FSSC 22000	FOOD SAFETY IFS	FOOD SAFETY BRC	FOOD SAFETY SQF	FOOD SAFETY AIB	FOOD SAFETY HACCP	HALAL	KOSHER	ORGANIC	EFSA	SOCIAL COMPLIANCE	GMP	FAIR TRADE
EAME	Egypt	Cairo	•	•	•							•							
EAME	Germany	Holzminden	•	•	•		•				•	•	•	•	•	•	•	•	•
EAME	Germany	Braunschweig	•	•				•				•			•		•		
EAME	Germany	Nördlingen	•	•			•					•					•		
EAME	Germany	Hamburg	•	•														•	
EAME	Great Britain	Corby							•		•	•				•			
EAME	Russia	Rogovo	•	•				•			•	•							
EAME	Spain	Parets	•	•				•			•	•				•			
EAME	South Africa	Isando	•	•				•			•	•				•			
EAME	UAE	Dubai										•							
NA	USA	Branchburg	•							•			•	•	•		•		
NA	USA	Bushy Park	•										•	•			•	•	
NA	USA	Teterboro	•							•			•	•			•		
NA	USA	Elyria								•			•	•					
LA	Argentina	Tortuguitas	•														•		
LA	Brazil	Socorro	•	•													•		
LA	Brazil	Sorocaba	•																
LA	Chile	Santiago de Chile															•		
LA	Colombia	Bogotá	•														•		
LA	Mexico	Monterrey									•						•		
LA	Venezuela	La Victoria	•														•		
AP	Australia	Dee Why					•					•		•			•		
AP	China	Pudong	•	•	•		•				•						•		
AP	India	Chennai	•	•		•	•				•						•		
AP	Japan	Ibaraki	•	•			•				•						•		
AP	Singapore	Singapore	•	•			•				•		•				•		

DIALOGUE WITH OUR STAKEHOLDERS

The success of Symrise depends heavily on the ability of corporate processes to address the needs of those who have a clear stake in the company in the best possible way. Our most important stakeholders include customers, employees, shareholders, lenders, neighbors, politicians, non-governmental organizations and business partners.

By engaging in regular discourse with these stakeholders, Symrise is able to pick up on expectations and to develop successful solutions. The key instrument here is a materiality analysis which is used to analyze the strategic relevance of issues for Symrise and its stakeholders. Over the past several years, we have analyzed the global dialogue with all Symrise stakeholders, taking all business divisions into account. In workshops, we have identified the actual or potential influence of our activities on different stakeholder groups and what influence these groups have on Symrise.

Symrise makes use of a large number of different formats and channels to communicate with its stakeholder groups – within and beyond the company. Intensive use is made of the various opportunities for engaging in dialogue. A global employee engagement survey was carried out once again in 2012, in which over 80 % of employees had the chance to assess and thereby help shape the strengths and weaknesses of our company. In 2012, we continued to be in dialogue with a large number of raw material suppliers regarding ethical matters with the help of the SEDEX platform. In order to keep our customers and investors informed about current developments at Symrise, we once again held a number of roadshows and innovation days around the world. In the course of these and other activities, we received valuable feedback, which is incorporated into our future work.

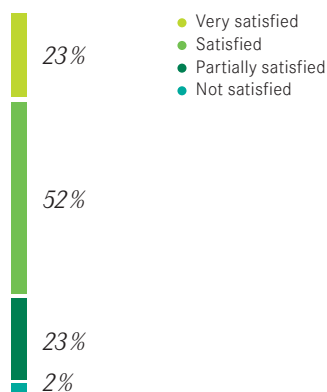
In the 2012 fiscal year, we invited over 600 customers, employees, investors, suppliers, neighbors, media representatives, NGOs, rating agencies and industrial associations to share with us their views on sustainability issues as well as

on our performance in the individual areas across our entire value creation chain as part of a comprehensive international survey of key stakeholders. 294 stakeholders participated in the survey and completed the questionnaire in full. This represents a response rate of 45 %.

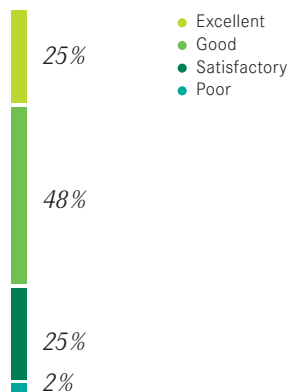
We critically analyzed our materiality matrix and made adjustments where necessary on the basis of the survey results. The issues for which our stakeholders have particularly high expectations of us are discussed and evaluated by the Sustainability Board. The issues “Ensuring greatest possible product safety,” “Efficient use of raw materials” and “Occupational health and safety” have become even more important to our stakeholders compared to the previous year. In contrast, “Donating, sponsoring and volunteering” is now considered to be slightly less relevant. At the same time, the issues “Biodiversity,” “Using renewable raw materials” and “Employee promotion and development” have become more important to Symrise.

SYMRISE'S SUSTAINABILITY STRATEGY AND SUSTAINABILITY PERFORMANCE

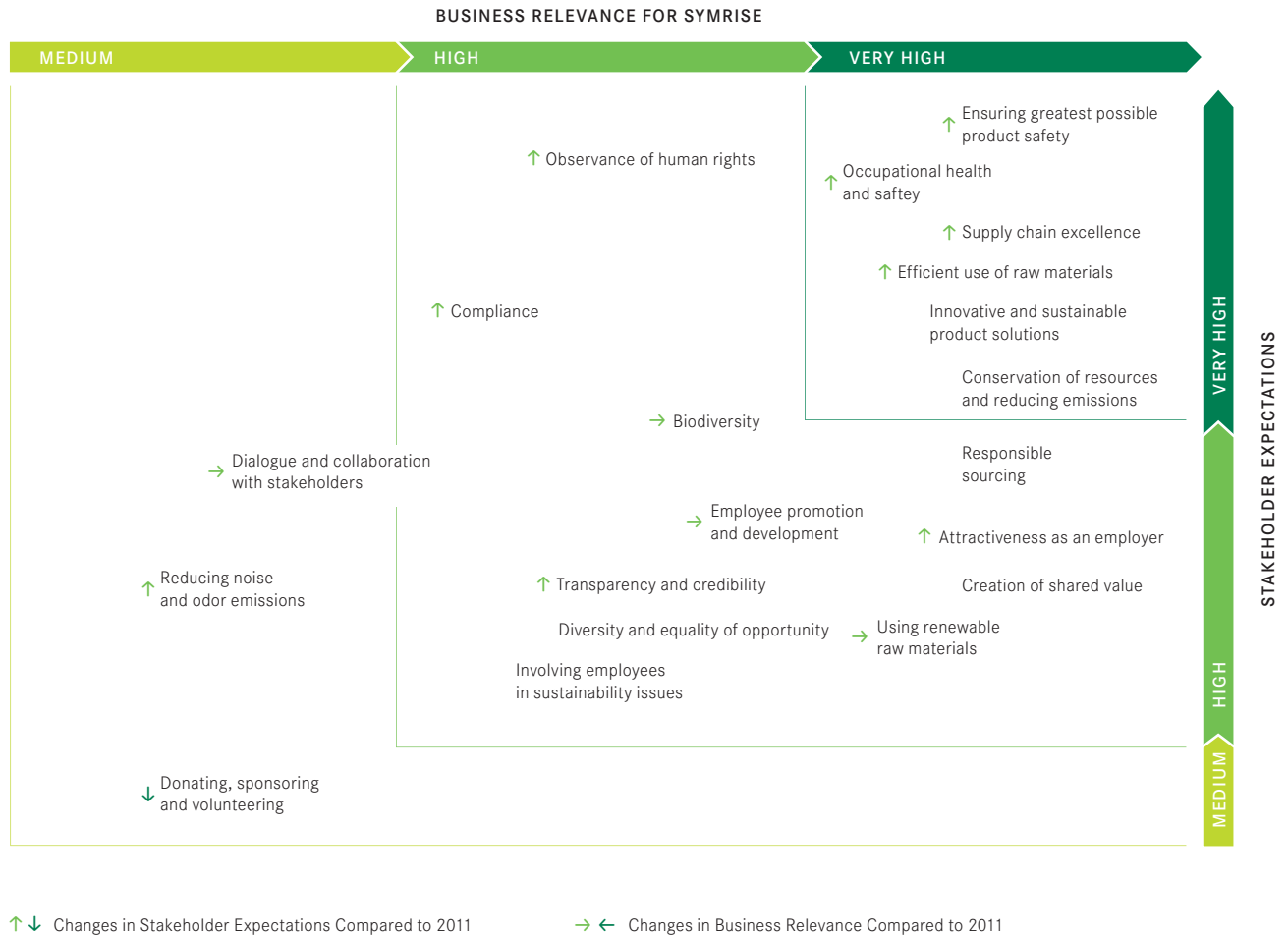
How satisfied are you in general with Symrise's sustainability strategy?



How would you generally rate Symrise's sustainability performance compared to other companies in the industry?



MATERIALITY MATRIX



The results of the analysis of Symrise's sustainability performance show that around three quarters of the survey participants are either satisfied or very satisfied with our strategic approach to sustainability and assess our performance in this area as being good to excellent compared to our competitors.

In general, there is a high level of correlation between the issues considered relevant by our key stakeholders and a positive assessment of Symrise's performance in these aspects. On av-

erage, it has been confirmed that Symrise has showed good to very good performance in all areas. Only with regard to the issues "Employee promotion and development," "Social commitment" and "Biodiversity" did a small percentage of survey participants (between 7 % and 9 %) express dissatisfaction with Symrise's performance. Although this stands in contrast to a majority of positive evaluations, we take this criticism seriously and have responded to it in the corresponding chapters of this report.

Sourcing

The sourcing of raw materials represents the initial starting point for sustainable value creation. During the procurement process, we are faced with partially diverging stakeholder expectations and a number of practical challenges when implementing sustainable sourcing principles. We take a responsible and future-oriented approach to these challenges by employing forward-looking business practices.

CHALLENGES FOR SUSTAINABLE SOURCING

- Price Volatility of Raw Materials
- Ensuring Product Quality
- Permanent Ability to Deliver
- Local Sourcing
- Risks Brought on by Climate Change

REQUIREMENTS OF OUR STAKEHOLDERS

- Competitive Prices
- Environmentally Friendly Sourcing
- Local Sourcing
- Socially Responsible Sourcing
- Observance of Human Rights
- Certification of Raw Materials
- Traceability of Raw Materials

We use approximately 10,000 natural and synthetic raw materials from over 100 countries to manufacture our products. They form the basis for the production of our approximately 30,000 different products in the areas of fragrances, flavorings, cosmetic active ingredients and raw materials, as well as functional ingredients. The overwhelming majority of our products are creative compositions based on a large number of raw materials. In addition to carriers such as ethanol, they consist mainly of value-adding preliminary products – in other words, aromatic compounds and active components. We place a special focus on these ingredients in our sourcing strategy.

Long-term growth is only possible if we continue to be in the position to ensure both raw material availability and quality, while remaining competitive when it comes to pricing. In view of the fact that a number of Symrise’s strategic raw materials are only used in our industry and that we only buy small quantities of certain preliminary products, our market clout and opportunities to exert influence vary considerably across different supply chains. This presents us with major challenges – in both raw materials sourcing and supplier management.

On the one hand, for the sourcing of our raw materials, we are in competition for land which is used for the production of materials for food or biofuels. On the other, we buy a large part of our preliminary products from countries where, in some cases, problematic social conditions prevail. As these underlying conditions influence the quality, availability and price of the raw materials we use, it is not just a question of responsible sourcing practices, but it is also in our own long-term commercial interest to establish and promote the highest environmental and social standards across all of our purchasing processes.

As a result of these complex and dynamic relationships, we always realign the organizational purchasing structure with the changing market conditions. To optimize the supply chain, procurement at Symrise is organized decentrally in the two business divisions of Scent & Care and Flavor & Nutrition. In 2012, we adopted the scorecard system for raw materials purchasing, following the success of the system in logistics. This enables us to more effectively monitor our processes using product-specific KPIs. Here, long-term strategic thinking takes priority over short-term cost sav-

ings. We pursue this approach with our responsible sourcing model, relying on long-term contracts and cooperation with our suppliers, on social and ecological commitment locally, and on strategic partnerships with our key customers.

RESPONSIBLE SOURCING MODEL:

GROWTH

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

EFFICIENCY

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

PORTFOLIO

- We offer our customers responsible products
- We achieve optimal quality and yields
- We create transparency by means of certification

In 2012, we purchased 202,000 tons of raw materials for processing into our products. Process losses are relatively low and are mainly the result of extraction and distillation processes. Wherever it is possible and it makes sense, we try to reduce losses by recycling. Solvents that are required in production processes are, for example, cleansed repeatedly and reused. In the production of raw materials for flavorings alone, around 1,800 tons of solvent are fed back into the process every year.

The main auxiliary and operating materials that we purchase are fuels. Packaging materials must be added to these. Wherever possible, we deliver our products in large containers that we take back and reuse. In 2012, we used around 23,500 tons of packing materials worldwide. The recycling quota was 26%.



Rainforest Alliance Certified

Symrise vanilla now fulfills the strict requirements of the Rainforest Alliance. A group of 1,073 farmers from 29 villages in the SAVA region was certified in accordance with the SAN standard for sustainable agriculture. To help the farmers attain certification, Symrise employees worked intensively with them as partners for many months to implement various measures. The company has been active in Madagascar for many years and has committed itself to procuring 100% of its vanilla under fair conditions. This certification is another important milestone along the way.



that's onion!®

Onions are an important component in nearly every culinary application and, for Symrise, one of the vegetable products with the highest volume. For over 60 years, we have purchased this raw material from within the direct vicinity of our Holzminden site. The short distances from the field to the factory help keep transport to a minimum. The process residues from production are then used in biogas plants to produce electrical energy, heat and fertilizer. This gives our onion extracts and flavors an extremely low carbon footprint. Everyone benefits from this approach: Our customers receive unique culinary specialties, the local farmers have planning security thanks to long-term contracts and we are assured of harvest-fresh quality and constant availability of supply. In 2012, we pooled this competitive advantage stemming from our taste competence in the vegetable segment into a new brand – *that's onion!®* – which combines our expertise in sustainable sourcing with our competence in culinary product development. In the coming years, we plan to further expand this approach and purchase 100% of our vegetable raw materials in a sustainable manner by 2020.

LOCAL VALUE CREATION

With regard to important core competences, we have deliberately chosen locations for our international production facilities that have local availability of the raw materials primarily used. Backward integration in the citrus value chain in Brazil and the vanilla value chain in Madagascar are just as much cases in point as the vegetables sourced from the immediate vicinity of the German site in Holzminden and are also processed there.

We not only purchase our raw materials in the local economy but are also integrated into, produce in and create value there. This approach enables us to influence factors such as methods of cultivation, choice of fruit and time of harvesting and thereby enjoy the benefits of high yields, secure supplies, best quality and the greatest possible degree of traceability. At the same time, we are supporting local socioeconomic structures and making a contribution toward local added value. Another factor that is far from insignificant is the fact that we also achieve a reduction in costs, transportation mileage and climate-relevant emissions. In 2012, we spent 53.8% of our procurement budget on suppliers based in domestic and bordering regions of our main corporate locations.

Backward integration of our supply chain may also involve mergers and acquisitions. For this purpose, we have defined corporate guidelines and corresponding due diligence processes in which we check that, in addition to any environmental risks, human rights and employees' rights are observed in the run-up to integration. The same applies to major investments that we make as a company. In 2012, no situation arose to which these guidelines applied. In the case of past acquisitions, such as the takeover of Aromatics/Origines in Madagascar, human rights aspects were included in our due diligence.

We will be extending our responsible, local sourcing approach further in both divisions in the years ahead. Key examples of this in 2012 include the diversification of our raw materials portfolio in Madagascar and the expansion of our portfolio of perfumery raw materials certi-

fied by Ecocert. We have almost quadrupled our range of products in this area. However, total backward integration is neither possible nor does it make sense for all natural raw material supply chains. The core focus of further development is rather on approaches tailored to each raw material chain, which particularly address the risks of so-called single sourcing – i.e., buying strategic raw materials from just one supplier.

SUPPLIER MANAGEMENT

Symrise's predecessor companies already introduced systematic supplier management to ensure that suppliers complied with corporate guidelines with regard to quality management, product safety and environmental management. Over the course of the past few years, we have revised these process with regard to sustainability considerations and made some significant additions. The focus is on joint implementation with our key suppliers.

Along with commitments in the areas of quality, product safety and the environment, new suppliers must provide information in a detailed approval process about their sustainability program, their assumption of social responsibility in their supply chain and their commitment to ethical standards. A truthful answer to this supplier acceptance questionnaire is the non-negotiable basis for Symrise entering into a business relationship. We require the safeguarding of general human rights, an undertaking not to make use of child labor or forced labor of any form, and compliance with statutory health and safety at work requirements. Furthermore, we expect our suppliers to allow their employees the right to freedom of assembly and collective bargaining, to observe at least the statutory provisions on working times and pay, and to make a clear commitment against discrimination and abuse.

These standards constitute part of our Group-wide risk management system. We carry out systematic risk and performance assessments of all suppliers on the basis of economic, ecological and social aspects. The criteria for this risk analysis are:

- Purchasing volume with the supplier in question
- Strategic importance of the raw material
- Number of alternative sources of supply
- Result of the supplier qualification
- Supplier's country of origin

The result of the analysis is a weighted global risk matrix, which represents the basis of our supplier audit plan. Raw material suppliers are not the only ones taken into consideration – freight forwarders and packaging suppliers are included as well. In the case of suppliers who pose an especially notable risk, with crucial raw materials or with problems that have come to light in the assessment, we carry out audits on the basis of a globally specified procedure. Focal points of these audits are product safety, quality management, health and safety at work, the environment and social responsibility. If one or more criteria are found not to be up to our defined standards, the supplier is informed in detail and supplier development measures are jointly drawn up and initiated. If the supplier fails to achieve the standards required, the order volume from this supplier is reduced by way of a sanction. As a last resort, the business relationship with this supplier is terminated. Cases in which a supplier relationship was terminated due to a breach of relevant criteria did not occur in 2012.

The international platform Supplier Ethical Data Exchange (SEDEX) is an important tool that we use both to evaluate suppliers and to disclose our own data to our customers. On the platform of the nonprofit organization SEDEX, we publish information about working conditions and employment rights, health and safety at work, the environment and ethical business practices – as do many of our suppliers, competitors and customers. Since as early as 2006, we have disclosed our own data to many customers with the aid of SEDEX. All Symrise production locations are now SEDEX-registered.



Social Business in Ghana

As part of our partnership with PlaNet Finance, one of the co-initiators of the Star Shea Network, we have invested in the responsible sourcing of shea butter in Ghana. The natural raw material is a well-established component of many cosmetic products. In this way, Symrise ensures its continued access to high-quality, fairly traded and completely traceable shea butter. We will continue to intensify our co-operation with Star Shea in the coming years.

In 2011, we upgraded our membership at SEDEX in order to further consolidate our sustainable raw material supplies and to identify risks systematically. In 2012, we invited 100 key suppliers to register with SEDEX and to disclose their data to us. This means that we now cover more than 50 of our largest suppliers. By 2015, we will assess our 250 most important suppliers using criteria laid down by SEDEX. With this measure, we will cover more than 80 % of our procurement volume.

STANDARDS AND CERTIFICATES

Compliance with national and international statutory regulations governing the protection of natural resources is an integral part of procurement policy at Symrise. The use of animal and plant-based raw materials listed by the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is only permitted throughout the Group if the supplier is able to prove their sustainability.

For a number of key natural raw materials, we endeavor to procure raw materials with a certificate of origin. The majority of the palm oil that we use around the world, for example, is certified by the Round Table on Sustainable Palm Oil (RSPO). As a central organization, the RSPO seeks to promote sustainable cultivation methods for palm oil and thereby limit environmental damage. Products certified as organic or fair trade, in contrast, still account for only a limited proportion of our procurement volume.

As our products often account for only a small part of the end product, customer demand for certified products has so far focused as a rule on especially iconic ingredients of quality end products such as vanilla. Approximately 1,500 raw materials from Symrise are available globally for use in organic or fair trade products. This corresponds to about 15 % of our raw material portfolio in the EAME region. Rising consumer demand for responsible, certified products points the way in product development and the choice of raw materials. We assume that the proportion of certified products will continue to increase. In 2012, we helped more than 1,000 vanilla farmers in Madagascar with whom we work directly to become certified by the Rainforest Alliance.

We also attach great importance to responsible animal husbandry, although Symrise itself neither keeps nor processes animals. The proportion of raw materials of animal origin that we use is very low at approximately 2 %. Nevertheless, we expect all our suppliers who handle live animals to observe statutory provisions and industry

standards in respect of animal rights. Our procurement department reminds these suppliers in regular discussions of the five rights to which animals are entitled in livestock farming: the right to fodder and drink, the right to wellbeing, the right to health and freedom from pain and injury, the right to natural animal behavior and the right to treatment that causes neither fear nor suffering. Symrise has already specified, for instance, that it will only use egg products if the hens are kept in at least barn conditions. In that respect, we go beyond European statutory requirements.

Our product portfolio is also influenced by our strong presence in emerging markets. Demand for products that are certified as kosher or halal is especially strong in the Middle East and North Africa. These certifications are also increasingly important in large areas of Asia and in the United States. Globally, 45 % of our raw materials are certified as halal and 48 % as kosher.



Double Benefit

Symrise started a pilot project in Madagascar in 2012 for the planting of the tropical grass vetiver. While vetiver oil is an important raw material for perfumers with its woody, balsamic fragrance, the plants are also useful for combating soil erosion with their long, widely spreading root systems. Soil erosion is a serious problem in Madagascar. For the farmers, the sale of vetiver roots also represents a welcome source of additional income.



A Sustainable Decision

Lavender from southern France has always been an important raw material for perfumers. In 2012, Symrise decided to source CENSO-certified lavender and lavender oils in the future and, in doing so, support the French lavender industry's sustainable approach. At the same time, we have also been supporting the CRIEPPAM research center since 2012 and working exclusively with the researchers on new and promising lavender qualities. Further information is available at: <http://www.censo-lavande.fr/en>

Symrise already has access to more than 1,500 raw materials for the production of organically certified products. In 2012, the number of certified raw materials for the perfumery rose from 17 to 73.

17  73

We use very few genetically modified raw materials; they amount to around 1% of our raw materials portfolio worldwide. When we use GM raw materials, we comply with local regulatory requirements and with the most exacting food safety standards. A key criterion is consumer acceptance and the resulting demand. GM raw materials are used mainly in North America and Asia. In Europe, in accordance with our corporate policy, we use no genetically modified products.

SYNTHETIC VERSUS NATURAL RAW MATERIALS

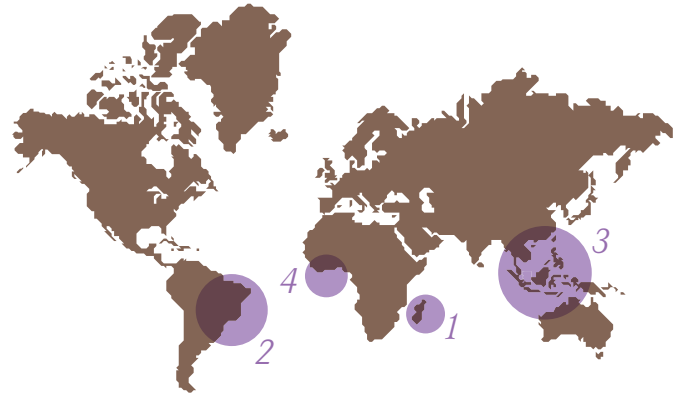
There is rising demand for natural and renewable raw materials among end customers. However, many synthetic raw materials currently cannot or can barely be replaced by renewable raw materials. Although the proportion of natural raw materials in our portfolio already accounts for more than half of the raw materials used and is continuously increasing, it is often not just commercially unwise to completely renounce synthetic raw materials but doing so would also have complex environmental and social repercussions in some cases. Greater use of renewable raw materials leads not only to an increase in the acreage required but also, increasingly, to competition for the production of foodstuffs and the conservation of biodiversity, which in turn represents a key prerequisite for cosmetic or medical product innovation.

Synthetic raw materials often take less energy to manufacture than the energy required to harvest and transport natural ones. Furthermore, the proportion of value-giving substances in plants depends to a large extent on climate and geological conditions – a risk that does not occur with synthetic products. What is more, the use of fossil resources to manufacture chemical products accounts for only a very small proportion of global consumption. It therefore cannot be our objective to completely switch to naturally occurring raw materials. Our focus is more on achieving a further reduction in our dependence on finite raw materials. We have therefore made the identification of alternative means of producing synthetic substances a focal point of our research.

Deciding whether to use a natural material or its synthetic equivalent depends on the respective product. Irrespective of the source of the raw material, we attach importance to using resources sustainably and try to maximize our yields. We encourage our suppliers to follow this strategy as well. Only such a far-reaching, integrated view will help us safeguard our commercial success in the future.

DIVERSITY OF RAW MATERIALS

Symrise sources a wide range of different natural raw materials from around the world. Our long-term commercial success is therefore closely tied to the preservation of biological diversity. We approach the challenge of sustainability in a variety of ways.



Madagascar

1 // The island nation off the East African coast is known for its exquisite spices such as vanilla, pepper and cloves. Its diversity is second-to-none: About 80% of the local flora is unique to the country. Symrise is the only company in its industry that has a branch location in Madagascar and is committed to preserving the island's biodiversity.

Brazil

2 // Brazil is not only the world's largest producer of oranges, it also is a country with an impressive range of flora and fauna. The Atlantic rainforest (Mata Atlântica), however, is severely threatened. Symrise Brazil is committed to protecting threatened rainforest areas by refraining from using raw materials from sources that may be environmentally questionable and through joint nature preservation projects with customers.

Southeast Asia

3 // Whether patchouli, jasmine or tea: The nature of Southeast Asia is an essential source of important raw materials for the fragrance and flavor industry. Symrise is present in 12 Asian/Pacific countries and generates about 23% of its sales there. This underscores the importance of a sustainable raw materials sourcing strategy.

West Africa

4 // Africa is considered the poorest region in the world, but it is also known as the continent of opportunities. Its economy is growing dynamically, though this also brings possible dangers in the area of biodiversity – particularly for the coastal regions of West Africa. Symrise is committed to various social projects on location and continues to expand its sustainable sourcing activities.

Innovations

With its two divisions, Scent & Care and Flavor & Nutrition, Symrise is one of the most successful global players in both the established markets and the emerging markets in Asia, Latin America or the Near and Middle East. Symrise’s product range is accordingly diverse: Various social and cultural consumer preferences are constantly combining with global trends for health and wellness, resulting in concrete product expectations. We do not simply react or respond to these developments – we help shape them.

CHALLENGES FOR A SUSTAINABLE PRODUCT POLICY

- Worldwide Provision of High Product Volumes at Top Quality
- Meeting Increasing End Customer Demand for Health-Promoting Products
- Close Cooperation with Strategically Important Customers
- Partnerships with Companies, Research Institutions and Universities
- Connecting Market and Consumer Research with R&D

Successful activities in research and development form the basis for Symrise’s competitiveness. Our customers see us as a creative and valuable partner thanks to our constant development of innovative products and solutions. Symrise’s product portfolio ranges from fragrance and flavor solutions to cosmetic base materials and substances as well as functional ingredients. We therefore serve manufacturers of perfumes, cosmetics and foods in addition to the pharmaceutical industry and producers of nutritional supplements. Along with the highest requirements on quality and safety for our products, we develop targeted new product solutions based on the latest research on consumer interests.

INNOVATION AT SYMRISE

Product development at Symrise is both centrally and decentrally organized. The divisions and business units focus on segment-specific R&D activities, which are performed directly on site in the respective markets. At the same time, they work in close contact with each other in the areas of technology, processes and research findings in order to tap potential synergies. For instance, release systems, bioactive ingredients and sensory research have cross-divisional importance and

REQUIREMENTS OF OUR STAKEHOLDERS

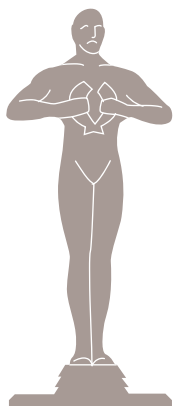
- Greatest Possible Product Safety
- Innovative and Sustainable Product Solutions
- Products that Contribute to Health and Wellness
- Using Renewable Raw Materials
- Efficient Use of Raw Materials
- Alternatives to Animal Testing

are collaboratively researched, with the findings being adjusted to the respective application.

From the idea to the marketable product, the innovation process at Symrise is organized based on a company-wide, uniform stage gate process with decision filters. The process is also constantly being refined. This puts us in a position to anticipate and serve changing consumer preferences at an early stage.

Symrise works with numerous regional and international customers on joint development projects. Our guiding principle of open innovation helps us to combine creativity and efficiency with resource conservation and environmental protection. Various customer awards in the area of innovation show that we are on the right track.

With our trend studies, market analyses and consumer research, we have seen an increasing trend of consumers expecting products that not only appeal to their senses but also contribute to their health and well-being. We have made a concerted effort to integrate this development into our business strategy and adjust our product range accordingly. Our goal is to continually increase sales with



Most Innovative Company of the Past Decade

Our research in the Life Essentials segment was presented with multiple awards for product innovations in 2012. Along with three of the sought-after BSB Awards for innovative raw materials, Symrise also claimed a special award as the “Most Innovative Cosmetics Raw Material Supplier Company Within The Last 10 Years” – praising Symrise’s constantly high level of innovation, from which our customers benefit.

products that contribute to health, nutrition, skin care and skin protection. We are the only company in our industry that lists this as a strategic focus. For us, it is a logical consequence on our path towards integrating our business and sustainability strategies.

NETWORKED RESEARCH

Apart from their own internal research and development, both business divisions have comprehensive partnerships with companies, universities and research institutes. This enables synergies to be utilized and expands the spectrum and perspective of R & D activities.

Our network includes collaborations with renowned German research institutes and universities in Bochum, Braunschweig, Dresden, Düsseldorf, Gießen, Greifswald, Halle-Wittenberg, Hannover, Munich, Münster, Potsdam and Rostock. In

2012, notable partnerships existed with numerous international universities, such as King’s College in London and the University of Tours in France, as well as with companies like Cotech (Italy), EcoBi-otics (Australia), Essen BioScience (UK) or Therapeutic Peptides (USA).

In addition, both business divisions have for several years had international scientific advisory boards consisting of internationally renowned scientists from different disciplines and fields of application. The task of these committees is to give advice regarding the latest research findings and their implementation in product innovations.

The recognition of scientific papers that stem from within our company underscores the high standard of our research and development work. Symrise’s innovative strength is also seen in its efforts to protect its intellectual property. In 2012, the company applied for 37 patents and is therefore among the top patent holders in its industry.

BEAUTY, SCENTS AND CARE

Pleasant fragrances and products for beauty and care have been a part of people’s daily routine for the last 4,000 years. Today, most people can afford products that increase their sense of well-being and self-worth. Symrise’s Scent & Care division provides its customers with competence in scents, beauty and care. Our focus here is on intensifying



Systematic Green Chemistry

Innovation is a key driver of sustainability at Symrise. In 2012, we introduced a process for recording and assessing our sustainability performance in product development. Using specific indicators, we check every project regarding its sustainability contribution.

An initial result led to the development of a completely new green chemistry approach. While we usually further develop our existing products with continual improvements, we now concentrate on the complete redesign of processes using modern chemistry. This radical approach brings groundbreaking possibilities: For instance, it eliminates by-products, while improving raw material efficiency and allowing for a much lower environmental impact overall. This approach will continue to be expanded over the coming years.



Groundbreaking Research

Symrise once again participated in numerous research projects in 2012 that were sponsored by the Federal Ministry of Education and Research (BMBF), the European Regional Development Fund (ERDF) and other funding institutions. A main focus of these projects was methods or ingredients that show or support health-promoting effects. This includes projects on the “development of modern, natural flavors for enhancing the taste of healthy foods” and the “development of methods for naturally extracting taste-modified aromatic compounds.”

research on renewable raw materials, white biotechnology and phytochemistry as well as on identifying active ingredients in natural raw materials. The development of environmentally friendly, safe and sustainable products and processes as well as high-impact products (meaning products that show high effects at low dosages), is the primary goal of developmental activity in the Scent & Care division.

Life Essentials offers a broad portfolio of high-quality ingredients with proven effectiveness: anti-aging products, anti-irritants, products for sensitive skin, multifunctional antibacterial substances, skin-lightening products and cooling substances. Thanks to our expertise in the areas of phytochemistry, efficacy screening and analytical chemistry, innovative products that correspond to global trends in beauty, health and wellness are developed based on natural products. Life Essentials is also specialized in the manufacture of plant extracts and is the market leader in this segment.

The Fragrances business unit also places an emphasis on using raw materials and components that can be procured without causing negative social or environmental effects. Our perfumers com-

bine aromatic raw materials like essential oils and aroma chemicals to create complex perfume oils. These are used in perfumes as well as in personal care and household products. In 2012, we began to hold special training sessions for our perfumers to increase the usage of renewable raw materials in fragrance compositions. In order to develop fragrances that appeal to consumers around the world and in every social class, our perfumers work where our customers and consumers are: in France, Mexico, India, the USA, China, Brazil, Germany and Singapore. That’s why the global acceptance of our business is well understood to be in our own interest.

In the Aroma Molecules business unit, Symrise offers its customers a broad spectrum of various classes of aromatic substances and compounds. They are the key components of many successful products in the world of fragrances and flavors. An important application area in this business unit is that of biodegradable, synthetic musk fragrances, which adhere significantly better to hairs, skin or textile fibers and are an essential component of perfume oils. Compared to earlier synthetic musk fragrances, they show a much better biodegradability due to their chemical structure. Symrise is one of the major providers of macrocyclic musk compounds (MCMs). Our extensive range of MCMs offers customers the greatest possible development process flexibility and the best results. We have also been committed to the protection of the musk deer, which our industry used to hunt for its valuable glandular secretions, since 2011.

We continued to expand the Oral Care business unit as a core competence in Scent & Care in 2012. Together with Flavor & Nutrition, Think Mint® was established as a cross-divisional brand for mint flavors from Symrise. Here, we pooled our long-standing expertise on mint for all essential product groups such as oral care products, chewing gum and sweets. We continue to conduct research in this area on new substances and technologies that



30 Years in China

Symrise started doing business in this important growth market as the first international manufacturer of fragrances and flavors back in 1982. Today, we maintain a presence at four locations: in Shanghai, Beijing, Guangzhou and Taiwan. In various studies, we research the preferences of Chinese consumers, such as our current study in the Yunnan province. That region is also home to the musk deer, which long provided the well-known ingredient for perfume and is threatened with extinction today. Since 2011, Symrise has been involved in protecting this endangered species. Symrise sent some of its perfumers to the area to accompany the activities on location. The trip inspired a new collection of synthetic musk fragrances. It was presented to customers for the first time at the 30-year anniversary celebration.

present us with economic and ecological advantages. One example here is our cooling substances. We are also heavily researching alternatives to scarce natural raw materials. Our focus is primarily on methods that conserve energy and resources.

DELIGHTFUL AND HEALTHY NUTRITION

Culinary pleasure and healthy nutrition are parallel objectives that drive our research. Scientific methods and natural base materials go hand in hand when searching for new, healthier solutions for optimizing taste and mouthfeel. At the same time, Symrise is serving the growing market for food supplements and pharmaceutical preparations. This includes natural, functional ingredients to promote heart and digestive function, flavoring solutions for pharmaceutical products as well as natural food colors and coloring foods. Once again, the focus is on developing basic materials that are available on a sustainable basis.

Consumer preferences and habits are changing at an ever increasing pace. Today, consumers expect not only delicious tasting foods but also foods that contribute to a healthy lifestyle. That's why our Flavor & Nutrition division focuses on the development of flavor solutions for healthier products and functional ingredients that promote good health, in addition to the taste, quality and safety of its products. Regardless of whether the product promises health or perfect enjoyment, it must taste good. Symrise provides its customers with innovative products that retain their great taste and the popular sweet, salty, juicy, creamy or savory perception – while substantially reducing the use of sugar, salt, fat and flavor enhancers at the same time. We also develop taste solutions for products that contain active ingredients and contribute to a healthier lifestyle. The majority of our developments are based on natural raw materials – under a label that is entitled to include nature in its name.

Our customers constantly have to adjust to the quickly changing desires and needs of consumers in order to keep their brands and products attractive. Symrise's central strategic instrument used in this process is the integrated taste for life® platform. With the motto "Making the tastes people love," Symrise develops creative product concepts that are in line with market requirements, geared towards consumers' needs and help customers offer products that combine healthy nutrition and great taste.

taste for life® combines the results of consumer research, the needs of the industry and the comprehensive and wide-ranging expertise of Symrise in a single strategic instrument. We collaborate with our customers to find taste solutions that fulfill consumers' needs. In 2012, products from the taste for life® portfolio accounted for more than 25 % of our sales by volume in the Flavor & Nutrition division. And that includes our flavoring solutions to reduce fat, sodium or sugar content.

PRODUCT SAFETY AND INFORMATION

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



Cooperation for New Health Solutions

Symrise AG and the Swedish biotechnology company Probi AB have agreed to a strategic partnership in the development of new product solutions for foods, food supplements and cosmetics. The objective is to pool competencies regarding health-promoting ingredients in an effort to jointly accelerate growth in this dynamic market segment. The collaboration focuses on probiotic oral care applications with proven health benefits.

Our customers are informed about technical characteristics and how to safely handle our products via material safety data sheets, product specifications and technical data sheets as well as additional individually tailored informational materials. For instance, we added a platform for Life Essentials products to our SymSelect® internet tool to provide our customers with swift and interactive access to our Life Essentials product portfolio. It allows customers to research Symrise's cosmetic ingredients online.

STANDARDS AND CERTIFICATES

Good manufacturing practice, or abiding by clear guidelines – such as those required by pharmaceutical, cosmetics and food legislation – on quality assurance of production processes and the production environment, is the global basis of responsible behavior with products and manufacturing processes. Many of the requirements are similar, such as the quality requirements for end products,

but also for raw and auxiliary materials, clear product labeling, qualified personnel, suitable production facilities and premises, as well as defining, implementing and adhering to hygiene standards and ensuring the traceability of products and raw materials. Moreover, legislators have passed corresponding regulations that define mostly extra requirements specifically for individual product groups. Symrise makes a distinction between the following product groups:

Flavors: Legislators have laid down various regulations that require good manufacturing practice, but a clear definition of this is lacking. The food industry has duly defined its own standards in order to create a clear framework here. We abide by the generally accepted requirements and auditing standards of the Global Food Safety Initiative (GFSI) and other locally recognized standards aimed at ensuring a continual improvement in performance. In 2012, more than 90% of our product volume was manufactured at locations certified in accordance with internationally recognized food safety management systems. By 2015, we will have all of our production sites in the Flavor & Nutrition division certified to the FSSC 22000 standard.

Pharmaceutical Agents: At Symrise, active pharmaceutical ingredients (API) that are produced for pharmaceutical end products comply with the GMP rules of the applicable law on pharmaceuticals. Many countries have adopted the ICH Q7a guideline as a binding regulation and adapted it to national definitions in certain cases.

Pharmaceutical Additives: Pharmaceutical additives are materials that are used in pharmaceutical end products but do not have an active effect. These include flavors and colors, for example. There are currently no binding regulations for pharmaceutical additives.

Cosmetic Active Ingredients and Raw Materials:

Symrise manufactures the majority of its cosmetic active ingredients and raw materials according to the BRC Standard for Consumer Products. Cosmetic active ingredients and raw that are categorized as OTC (over the counter) drugs in the USA are treated like pharmaceutical agents. Symrise's Scent & Care product safety policy is an essential part of the Integrated Management System. The system is based on DIN ISO 9001 and is subject to a continuous improvement process. In addition, Symrise conducts risk analyses and works with an HACCP (Hazard Analysis and Critical Control Points) system.

To ensure the safety of our products throughout their entire lifecycle, our product safety policy integrates all of the relevant steps, from the supplier to shipment to our customers. Symrise ensures compliance with legislation, requirements laid down by associations and internal standards. All products are subject to a corresponding evaluation – encompassing every step in the chain from the purchase of raw materials to the finished product – using the information currently available. There were no breaches of safety or health regulations in relation to our products at Symrise in 2012. An overview of the audit program for 2012 can be found on page 73.



Alternative Testing Methods

Symrise joined the European Partnership for Alternative Approaches to Animal Testing (EPAA) in 2012, becoming the first company in the fragrance and flavor industry to do so. The goal: Facilitate a joint exchange that results in the development of effective alternative testing methods to reduce animal testing and eventually replace the practice entirely. The company already has relevant experience in this area. Just last year, Symrise and Cotech received a European patent for their innovative ex vivo real-skin model.



Innovation made by Symrise

- **BEAUTIFUL, SMOOTH SKIN**

With SymFit® 1617 and SymFit® nat 1750, we developed two anti-cellulite products – for which we have also applied for patents – that display outstanding application qualities in addition to their impressive effectiveness.

- **NATURAL SMILE**

A smile is crucial for a good first impression and consumers want to ensure that their lips look just right. The patent-pending substance Sym3D® was developed to effectively make lips fuller.



• TRADITION AND MODERNITY

The new plant extract series Actipone®s “Chinese Mushrooms” impresses with more than just its effective anti-oxidative qualities for care products – it is also made entirely plant extracts that can be sustainably produced and are used in traditional Chinese medicine.

• CORE COMPETENCY: ORAL HYGIENE

Symrise is setting new standards with the second generation of oral hygiene products. Inspired by nature, Optafresh® D is neutral in flavor and directly combats the bacteria that cause bad breath.

• FRESH AIR

Our newly patented two-phase air freshener 2Scent delivers better fragrance qualities and longer-lasting freshness compared to traditional air fresheners and is also highly affordable.

• NATURAL COMPOSITIONS

With Natural Neofresh®, our experts created new, patented fragrance compositions from natural ingredients that effectively eliminate unwanted household smells. Symrise has also established a series of databases with analytical and sensory data on the effectiveness of our raw materials in various applications.

• FRAGRANCE MEMORY

Microencapsulated fragrances are the key to special sensory experiences of freshness. SymCap® K-LD was developed for use in laundry detergents in order to produce long-lasting fragrances that stay on dry fabric. The scents are released by friction.

• NATURALLY CITRUS!®

A new generation of citrus specialties improves the authenticity and freshness of flavor profiles in the naturally citrus!® product platform. In cooperation with the citrus-processing industry, we use sustainable raw materials and environmentally friendly manufacturing processes.

• FRESHNESS YOU CAN TASTE

Sustainable and local cultivation near Holzmin-den is the guarantee for first-class quality when it comes to natural key raw materials that are extracted from fresh vegetables. We can generate authentic, culinary taste experiences by combining these with creative flavor compositions.

• CULINARY COMPETENCE

In 2012, we gained deep insights into the world of culinary flavors with the help of modern analytical tools. This resulted in natural and highly concentrated base flavors that promise authentic tastes.

• GREAT TASTE WITHOUT MSG

We advanced our development of new umami aromatic compounds in 2012. Thanks to their high intensity at low concentrations, these aromatic compounds are perfectly suited for savory applications that contain no MSG additives for optimizing taste impressions. Some of the compounds were found in plant-based sources and therefore contribute to the growing consumer demand for natural alternatives.

• BEVERAGES WITH A CERTAIN SOMETHING

The focused combination of functional ingredients with coordinated natural flavors resulted in the successful development of a new generation of health-promoting and tasty products that are particularly suited for use in instant beverages.

• SEEKING SATIATION

In the newly built Christian Doppler laboratory for bioactive ingredients in Vienna, researchers have been intensively searching since early 2012 for natural flavors that elicit a feeling of satiety. The research project, which is partially financed by Symrise, was able to successfully identify some initial candidates over the course of the year.

Environment

Environmental protection and safety mean more to us than merely fulfilling statutory requirements. Reducing our ecological footprint is linked closely to process efficiency and the associated long-term cost savings. However, what is required here is an approach which sees investment in technology and processes that conserve both energy and resources as a way of boosting the company’s value over the long term. At Symrise, we have set ourselves ambitious, long-term targets, making our progress in each business division both measurable and transparent.

CHALLENGES FOR SUSTAINABLE PROCESSES

- Operational Safety and Crisis Management
- Optimization of Production Processes
- Efficiency at all Stages of Value Creation
- Diminishing Resources and Climate Change

A complete analysis of our processes and how they are linked to the company environment is indispensable for the systematic reduction of energy, water and resource consumption as well as emissions. To do so we take a look at all of the stages in our value chain and product life cycle – from raw materials procurement and processing via product development and production to logistics – and identify appropriate starting points and areas with reduction potential. Indeed, with our Symchronize™ initiative, we even go beyond the boundaries of our value creation chain.

Our environmental management is based on the ISO 14001 standard around the world. About 70 % of our sales volume is already produced at sites with ISO 14001 certification. Global environmental management is coordinated centrally by the Corporate Compliance unit. Jointly with the business divisions involved, it transfers global principles defined by the Executive Board into guidelines and procedural instructions. The Corporate Compliance unit carries out audits to monitor compliance with legal regulations and voluntary commitments. Regular internal and external audits help bring about further improvements in environ-

REQUIREMENTS OF OUR STAKEHOLDERS

- Reduction of Energy Consumption and Greenhouse Gas Emissions
- Reduction of Water Consumption and Wastewater Production
- Reduction of Waste Volume
- Reduction of Noise and Odor Emissions

mental performance. We are thereby able to gain experience and pass on best practices. Symrise incurred no penalties for environmental offenses during the reporting period.

The Executive Board and the Symrise Sustainability Board set Group-wide environmental sustainability targets. Within this framework, our sites around the world define their environmental measures independently. The heads of our sites and production facilities are responsible for local com-



Resource Efficiency in Brazil

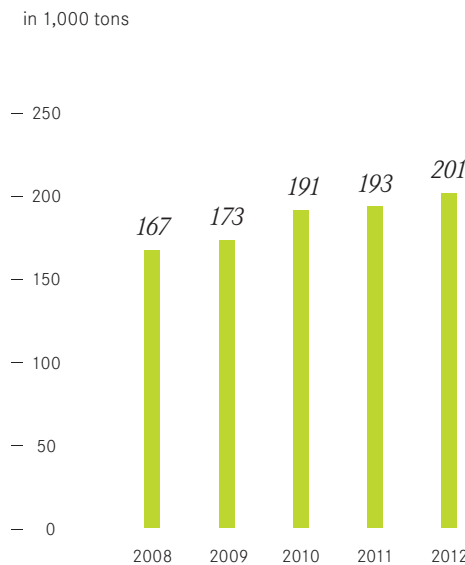
At our São Paulo site, we were able to substantially reduce the environmental footprint of our fragrance production thanks to a series of combined measures. Along with the installation of rainwater tanks and solar panels, various control and measuring instruments were set up, with which we can control and manage our future consumption in a more targeted manner.

pliance with and implementation of guidelines and measures. Aspects of ecological and economic efficiency are an integral part of individual performance targets and are therefore of relevance for remuneration. Additional sustainability ambassadors were appointed in 2012 in order to further improve the implementation of Group targets at company sites. By means of this additional bottom-up approach, not only do we increase acceptance at our local facilities, but we also receive valuable suggestions for improvement which can then be applied to other facilities as well.

Furthermore, interdisciplinary teams systematically determine the most important environmental impacts of our production facilities and processes in environmental aspect analyses. On the basis of ecological and economic criteria, the teams then specify measures to minimize this environmental impact, review their implementation and reassess the situation in the following year. Environmental aspect analyses are undertaken regularly at all ISO 14001 certified locations. In 2010, we began training employees in our production facilities as environmental consultants. A total of 18 environmental consultants monitor the environmental efficiency of our production sites. In 2012, we introduced a software solution for collecting and analyzing key figures relating to our environmental performance. Together with a quarterly data collection, this allows us to manage and report our consumption and emission figures even more precisely in the future.

We also offer to others what we do well ourselves. Our subsidiary TESIUM bundles our competence in the areas of technology, safety and the environment – both in Germany and around the world. 240 employees ensure that we fulfill the highest environmental standards in all business divisions. TESIUM is also involved in the planning and construction of new facilities. Environmental, safety and energy aspects are taken into consideration for the entire life cycle of the facilities. TESIUM makes this bundled expertise available to other companies as well.

VOLUME OF SOLD PRODUCTS



CONSERVING RESOURCES BY INCREASING EFFICIENCY

The optimal utilization of our facilities is the aim of Total Productive Maintenance (TPM). As part of this, efficiency losses are identified by drawing up loss trees, the situation is analyzed and workflows are optimized as a result ("kaizen"). In this way, we are able to ensure that, during all changes in our production processes, the greatest level of energy and resource efficiency is achieved. The Symrise employees involved in this process work in cross-hierarchical teams to draw up solutions and put them into practice. TPM enabled us to organize over 820 employees into 56 teams in both divisions in 2012. With over 46 TPM coordinators, our coordinator density is among the best in the process industry. Symrise's training for coordinators is now both valued and requested by leading companies in this industry. In many production areas, every employee is a member of at least one TPM team. Since 2007, we have implemented well over 5,000 improvements and significantly exceeded our goal of increasing efficiency by 2.5% each year. In 2012, the TPM teams worldwide focused on saving energy.



CO₂ 350
TONS PER YEAR

Efficient Packaging

Two projects for optimizing the environmental impact and cost of bulk containers were successfully completed during the reporting period. By introducing an alternative packaging material as well as a new approach to recycling, we were able to reduce CO₂ effects by about 350 tons per year while lowering operational costs at the same time.

As part of our integrated quality management, we also carry out regular performance checks in the supply chain. The balanced scorecards introduced in 2005 to support monitoring have since been progressively rolled out at all production sites worldwide. The scorecards assist us in optimizing the core areas of quality, service, costs, safety and employee motivation. They contain globally unified key figures and targets, which are evaluated on a monthly basis. When targets are not met, measures are implemented to get us back on track. The results and measures deriving from this process are posted at every production site and therefore accessible to every employee. Since their introduction, we have more precisely defined the key figures with each passing year in an effort to solidify our TPM culture of constant improvement within the company.

The optimization of our processes is often directly and mutually dependent on our business partners. With the Symchronize™ initiative, we have established an extraordinary integrated supply chain management system with our customers. The aim of Symchronize™ is to optimize the value creation chain beyond the usual interfaces: The value creation chain included extends from raw materials procurement to the customer's end product, integrating the customer and its processes. The main focus is on aspects such as demand-oriented supply, increased productivity combined with optimized utilization of resources,

reduction of storage times, shorter throughput times and synchronization of processes. All resources and materials are put to the best possible use, complexity is reduced, processes are accelerated and routine work is eliminated in favor of higher-value activities. Furthermore, optimized ordering leads to a reduction in shipping distances and thereby in CO₂ emissions. In the EAME region alone, we saw improvements in order processing of 15% over the past two years thanks to Symchronize™.

EMISSIONS

Our success in the reduction of greenhouse gases was confirmed in 2012 following an assessment conducted by the Carbon Disclosure Project. Founded in 2000, the Carbon Disclosure Project (CDP) is a non-profit organization that collects data on companies' greenhouse gas emissions. The results are based on a voluntary, standardized questionnaire that requests information on CO₂ emissions and reduction strategies once a year. During the assessment of the transparency of our environmental protection efforts, we were able to improve on the previous year's result of 63 points, achieving 88 points (out of a possible 100 points). In the assessment of our CO₂ performance, we received a B grade (out of a possible range from A to E). Due to this evaluation, we are, for the first time ever, the best-ranked MDAX® listed company on the Carbon Disclosure Leadership Index and the clear leader in our industry.

We made a voluntary commitment in 2006 to systematically record and reduce our greenhouse gas emissions. We report according to Scope 1 (direct emissions) and Scope 2 (indirect emissions) of the GHG Protocol. As we have been able to cut our CO₂ emissions significantly in the past, we set ourselves an additional target in 2010: By 2020, we aim to reduce our CO₂ emissions per product unit sold by a third compared to 2010 levels. We came a good deal closer to achieving this goal with our emission values for 2012. Our CO₂ emissions per product sold were down by 5.4% on the base year of 2010. Combined with the significant increase in our sales volume by approximately 5.2%, our CO₂ emissions decreased by 0.4% in absolute terms compared to the base year.

In 2011, we also began to record our other indirect emissions as defined in Scope 3 of the GHG Protocol. In 2012, we were able to further optimize our data measurement techniques by requesting information from our large suppliers pursuant to PAS 2050 to calculate so-called product carbon footprints (PCF), for instance. Together with a number of our competitors and customers, we also participated in a project conducted by the Research Institute for Fragrance Materials (RIFM), in the course of which the Scope 3 emissions of an average perfume oil were calculated. By way of this detailed observation, we ascertained that our Scope 3 emissions related to purchased goods and services are higher than had been previously believed. Our next step will therefore be to analyze these results in more detail in order to identify areas where targeted reductions can be made. Our other Scope 3 emissions in 2012 amounted to 8,975 tons from commuting, 4,710 tons from business travel, 9,949 tons from waste disposal and 64,161 tons of CO₂ resulting from transport & logistics.

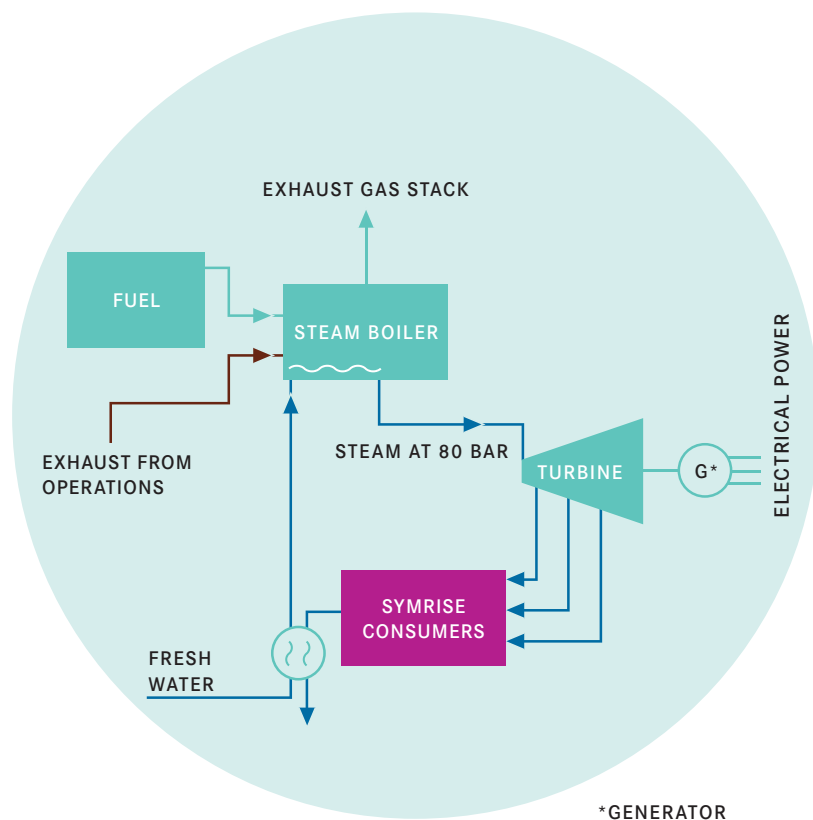
Carbon dioxide accounts for the majority of our emissions. Other greenhouse gases, such as nitrogen oxide, sulfur oxide, ammonium, methane, and volatile organic compounds (VOCs) are only of limited relevance for our business activities.

We do not yet record our emissions of ozone depleting substances (ODS). In view of the nature of our business activity, we assume that these emissions are low, but we will nevertheless start to record these emissions and – by 2015 at the latest – publish our results.

ENERGY

Our direct and indirect greenhouse gas emissions are determined to a large extent by our energy consumption. Given that nearly all of our production processes require the use of energy, a secure long-term energy supply and the most efficient energy utilization possible are of strategic importance for us. We concentrate on areas in which we need the most energy, especially in the areas of drying, extraction and distillation. A focus of our business units is on conducting a complete overhaul of the processes in order to eliminate by-products entirely where possible and to improve raw material and energy efficiency. In the course of expanding our production capacities for synthetic menthol in 2012, a new plant became operational and its innovative technologies set new standards for energy-efficient menthol production.

Our aim is to improve continuously the energy efficiency of our production facilities and processes. By 2020, we aim to reduce our energy consumption per product sold by a third compared to 2010. In 2012, absolute energy consumption decreased by 0.8% despite somewhat higher sales volumes. Energy consumption per product sold was also reduced by 4.2% as compared to 2010.



New Energy

For every new investment, Symrise AG considers the environmental impact and energy efficiency aspects. In 2012, we performed energy system analyses at our German locations and are planning to receive ISO 50000 certification in 2013.

Additionally, our subsidiary TESIUM developed a concept that will revolutionize energy supply at our Holzminden site. The core element is the generation of electricity for the site through cogeneration capabilities. High-pressure steam will be generated in a new boiler which will power a turbine and eventually be used as process steam in the plant. The turbine will drive a generator, which will produce about one-third of the electrical energy needed at the Holzminden site.

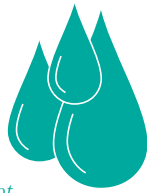
Along with long-term cost savings and added supply security, the system also aligns with Symrise AG's environmental activities. The highly efficient, resource-conserving and low-emission system should become operational in 2015. The investment will amount to about € 20 million.

Another lever that we use in our energy management is the continual reduction of our reliance on fossil fuels. At the same time, we aim to gradually increase the proportion of energy from renewable sources that we use. Our electricity mix at production facilities in Germany already includes 22.0% from renewable sources. We process a significant proportion of our production waste so that it is suitable for thermal utilization. In 2012 alone, we saved around 2,200 tons of heating oil in this way. Planning began for a new boiler facility at our site in Holzminden in 2012 in order to further reduce our consumption of fossil fuels. The aim is to generate as much as one third of our own electricity needs ourselves by 2015 using cogeneration. This equates to the electricity demand of around 4,000 households.

WATER, WASTEWATER AND WASTE

In order to raise greater awareness of the intensifying challenges faced by many regions in gaining access to clean, fresh water, the UN General Assembly has declared 2013 the International Year of Water Cooperation. As a result of growing populations and not least of the progression of climate change, water is becoming an increasingly scarce commodity in many parts of the world.

Although the overwhelming majority of our water consumption takes place at our facilities in Holzminden – an area that does not have a shortage of water – we also have sites in regions that are currently confronted with these issues, or will be at some point in the future. Although we have already taken the conscious step at these sites of using production processes that use as little water as possible, we have also launched a number of programs designed to further reduce water consumption and to improve how wastewater is treated. We focus both on technology and on the consumption behavior of every employee. For instance, we were able to make considerable improvements to wastewater values in 2012 at our plant in Egypt as a result of new wastewater treatment facilities. Wastewater can now be used for irrigation. At many locations in places such as Brazil, Colombia or Singapore, we have also started training courses



Water Efficiency in Egypt

In 2012, the Symrise Operations Team in Egypt developed a new system for treating wastewater. Thanks to the special recycling process, we save not only about 1.35 million liters of water per year, we also improve our energy and CO₂ impacts due to greater process efficiency.

to sensitize employees and provide them with measures they can employ so that each and every one of them learns how to use water efficiently. Wherever possible, we make multiple use of water in our production by recycling it ourselves.

Symrise is globally committed to an efficient and careful use of water: By 2020, we aim to reduce our water consumption per product unit sold by a third. In 2012, we consumed 2.37 million cubic meters of water, or 11.77 cubic meters per ton of product sold. Compared to the base year of 2010, our water consumption per product unit sold thus fell by 2.4 %.

By the same token, our aim is to reduce our relative wastewater volumes by a third per kilogram of product sold by 2020. In 2012, we produced 2.07 million cubic meters of wastewater, or 10.30 cubic meters per ton of product sold. Compared to 2010, our wastewater discharge per kilogram of product sold thus fell by 9.9 %.

In general, our wastewater is not very polluted and special treatment is not required. Preliminary cleansing takes place at the production facility, and the wastewater is then fed into the municipal sewage system. We nonetheless want to keep our emissions into the sewage system as low as possible and check the condition of the water at regular intervals. A key figure in this connection is the chemical oxygen demand (COD). Over the past three years, we have succeeded in reducing this figure by 2.9 % per product unit sold. In 2012, the average COD value at Symrise came to 17.81 grams per

kilogram of product sold. Wastewater contaminated with heavy metals is produced in a very limited amount at Symrise.

We aim to reduce our solid waste volumes further, cutting them by 33 % per ton of product sold by 2020 (based on 2010 levels). Our waste management consists of waste avoidance, thermal recycling of waste to generate energy, reuse of waste and, wherever possible, recycling. We had to adjust our figures for 2010 and 2011 retroactively due to the more precise collection of data and to include disposals from two sites that were reported later. In 2012, we thus managed to reduce our relative waste volume by 10.7 % compared with 2010 and made good progress toward achieving our target. In absolute terms, the reduction totaled around 1,500 tons. Chemicals, oils or solid waste were not released into the environment in material quantities in the reporting period. However, there was an incident at the Holzminden site involving the processing of natural substances in 2012: Ammonia escaped from the building's cooling system. The building was immediately evacuated, the emergency services were notified and the Symrise crisis team took action. Readings in the building were well below the warning limit and at no time was ammonia detected outside the building.

As in 2011, a shift in the ratio of hazardous to non-hazardous waste continued during the reporting period. Due to the rising demand for natural products, especially in our Flavor & Nutrition division, the quantity of compostable waste rose considerably in comparison to 2010 by 1,000 tons. On the other hand, process optimization, mainly in chemical production and water processing, led in 2012 to an absolute decline of 23.5 % in the output of hazardous waste. Our initiatives in green chemistry and research into atom-economical reactions contribute toward this increase in efficiency.

We also aim for efficiency with regard to packaging: The bulk containers used at Symrise are tank containers, intermediate bulk containers (IBCs) and barrels. They are reused or, if that is not possible, recycled. For small containers, we use disposable packaging for logistics reasons. Our logistics services subsidiary, Symotion GmbH, optimizes this packaging continuously in respect of both the economic and ecological implications and of product safety and occupational health and safety aspects.

THE BASIS AND FUTURE OF OUR BUSINESS: BIODIVERSITY

Nature and its biodiversity is an irreplaceable source of natural resources for us. Moreover, we continually draw on nature for inspiration when looking for new flavors and fragrances, as well as for active substances and functional ingredients. Preserving biodiversity is therefore fundamentally in our own interest as an industry. With this in mind, rigorously confronting our own impact on biodiversity constitutes, first and foremost, a form of risk management with regard to the long-term availability of resources.

In 2011 and 2012, we took part in a biodiversity check conducted by the Global Nature Fund and the management consulting company dokeo to address industry-specific issues related to the effect of business activities on biodiversity. The check was funded as part of the EU Life program. The aim of this check was to obtain an overview of the often complex interactions between biodiversity and our own business activities and to consider these from the point of view of possibilities to exert influence, opportunities and risks across the product life cycle.

The results show that Symrise has recognized the importance of this issue and that it sets itself apart in terms of its commitment, clear responsibilities and regular materiality analyses. Nevertheless, there is still the need for action with regard to the more systematic ascertainment of direct and indirect influences on biodiversity, including developing concrete indicators that measure effectiveness.

Only two of Symrise's facilities are located in or adjacent to conservation areas: our development center in Cotia, Brazil and our plant in Vohemar, Madagascar. The former borders on the Mata Atlântica – the Atlantic rainforest – which, due to its extraordinarily high biodiversity level, is one of the world's top five biodiversity hot spots and deserves particular care as a result of its status as a designated UNESCO biosphere reserve. We have undertaken to protect and preserve this forested region, as well as to ensure that our business activities have no negative impact on it whatsoever.



"Business & Biodiversity"

As part of an EU-sponsored campaign, Symrise underwent a biodiversity check in 2012. The analysis performed by dokeo and the Global Nature Fund is a tool for the integration of biodiversity risks in environmental management. The identification of strategic raw materials, potential regions of risk and the recommendation of specific measures were the focus of the activities.

Madagascar, too, is one of the world's biodiversity hot spots most worth protecting. Our site in the Sava region is not directly located in a protected area. It has only a limited impact on the local environment as only fermentation and extraction processes are carried out there. We have initiated a variety of measures to reduce our impact in the medium term. Integrated measures such as those undertaken in Madagascar, where projects aimed at maintaining biodiversity are supported systematically, are trailblazers in this area.

With our measures to safeguard the sustainable availability of resources and our extensive environmental protection targets, we make a key contribution to creating the preconditions necessary to preserve biodiversity. Building upon the biodiversity check, we will intensify our strategic approach and develop suitable measures to analyze our impact at important sites, including those not located in conservation areas, to expand our cooperation with scientific and social actors and to include our employees even more strongly in this mission.

TOTAL ENERGY CONSUMPTION

in gigajoules per ton of product sold

Direct energy: Gas Fuel
Indirect energy: Steam Electricity



CARBON DIOXIDE EMISSIONS: SCOPE 1 AND SCOPE 2

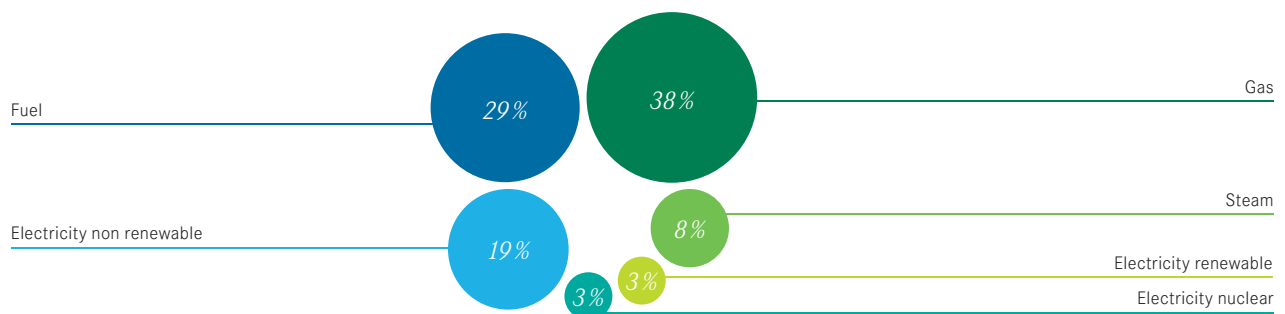
in kg per ton of product sold

Scope 1
Scope 2



* Due to a change in the calculation method, the figures for previous years have been adjusted. However, the underlying trend remains unchanged.

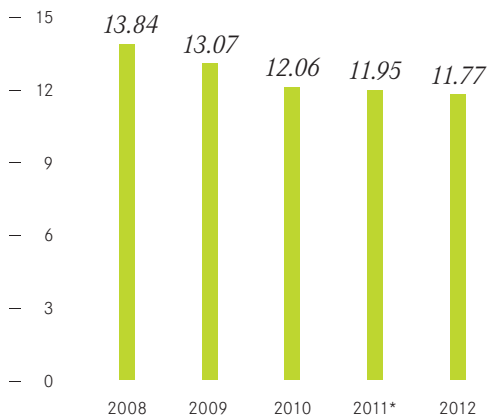
ENERGY CONSUMPTION BY ENERGY SOURCE IN 2012



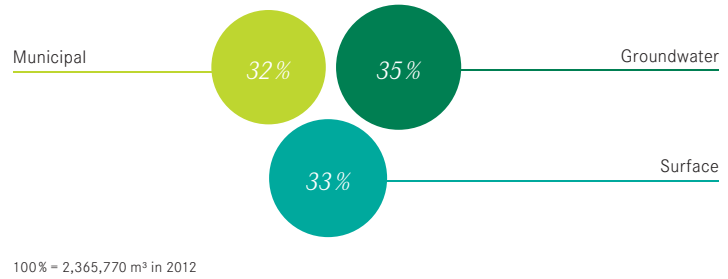
100% = 8.67 gigajoules per ton of product sold in 2012

TOTAL WATER WITHDRAWAL

in m³ per ton of product sold

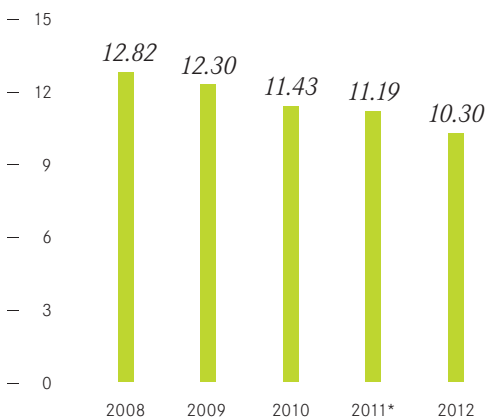


WATER WITHDRAWAL IN 2012 BY SOURCE



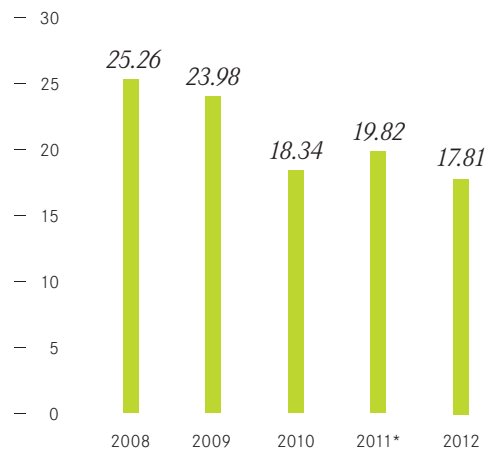
TOTAL WASTEWATER VOLUME

in m³ per ton of product sold



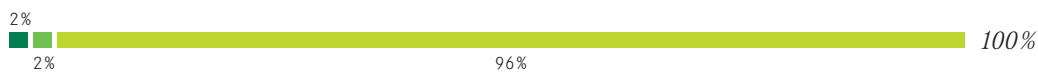
WASTEWATER: CHEMICAL OXYGEN DEMAND

in kg per ton of product sold



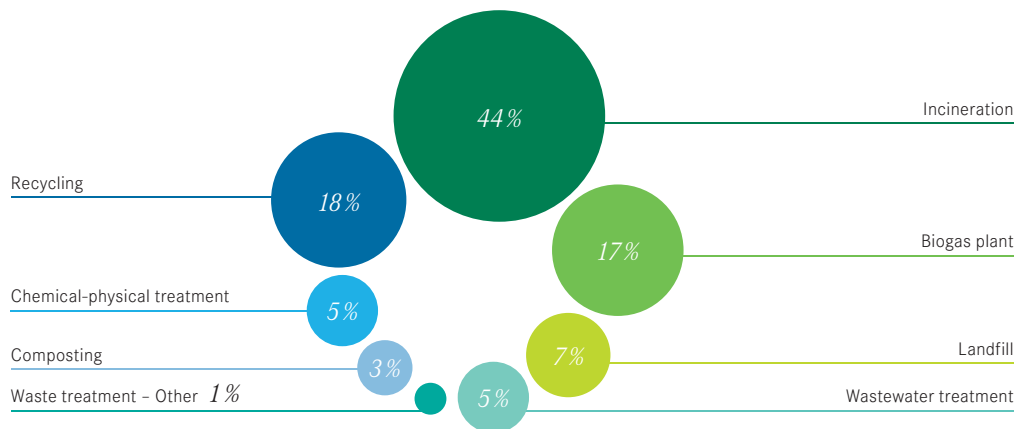
TOTAL WASTEWATER VOLUME FOR 2012 BY DESTINATION

● Truck ● Non-point source discharge ● Defined point



TOTAL WASTE VOLUME: HAZARDOUS AND NON-HAZARDOUS WASTE

in kg per ton of product sold

**TOTAL WASTE VOLUME IN 2012 BY DISPOSAL METHOD**

100% = 23,622 tons in 2012

* Due to a change in the calculation method, the figures for previous years have been adjusted. However, the underlying trend remains unchanged.

Employees

Motivated and qualified employees are the basis for Symrise's success. In a close, cooperative relationship, we require performance, dedication and team spirit. At the same time, we support the professional development of our employees with a comprehensive education and training concept, giving them freedom to take responsibility when performing tasks, and make every effort to promote their career development with different career paths for specialist or management careers.

CHALLENGES FOR A SUSTAINABLE PERSONNEL POLICY

- Competition for Young Employees
- Building and Retaining Know-how
- Workforce Productivity
- Demographic Change
- Change in the Working World

Building upon the results of the 2010 employee engagement survey, we carried out another standardized employee engagement survey in 2012, which gave our employees the opportunity to name the strengths and weaknesses of their company and to alert management to existing shortcomings and areas requiring action. The standardized approach allows us to make a direct comparison with other companies. The employee commitment index – an index that reflects employees' satisfaction with and relationship to the company – placed Symrise in the top 15 % of the most popular German employers. We are proud of this.

The 2012 employee engagement survey illustrated the clear strengths Symrise has as an employer. Our employees think that:

- Symrise offers interesting work assignments with individual room for maneuver and decision-making freedom.
- Employees can make use of their knowledge and skills.

REQUIREMENTS OF OUR STAKEHOLDERS

- Personnel Development
- Diversity and Equality of Opportunity
- Training and Continuing Education
- Work Safety
- Health Services for Employees

- Very good teamwork exists, with mutual support and appreciation among colleagues. Challenges are mastered together.
- Symrise managers do a good job and help their employees with problems.
- Employees can be proud of Symrise, its products and the service it provides.

But that doesn't mean there isn't room for improvement: We can continue to improve our position as an employer in growth markets. We will do this in 2013 by way of various measures focusing on employee motivation and loyalty. Overall, employees desire more development and career prospects and increased commitment to professional development and training. Internal communication and the flow of information should be further improved; employees would like to know more about customer and market trends as well as about the strategic alignment of their business division and the company as a whole. Furthermore, the need for compatibility between professional and private life has gained significantly in importance. Here Symrise has al-

*“A look at the detailed
evaluations shows that*

*our employees
around the globe are proud
to be a part of this company.”*

*“On average, commitment is pleasingly high in the countries that were surveyed
for the first time in 2012.”*

*“Symrise Germany is among the
top 15 % of all companies
nationally in the areas of employee satisfaction
and motivation.”*

*“We will perform a cause analysis and seek out
solutions in dialogue with the employees
in areas where further action
is needed.”*

Worldwide Commitment

In 2012, we once again performed a comprehensive employee engagement survey at our locations in Brazil, China, Germany, France, India, Mexico, Singapore and the United States. The detailed answers and high rate of participation at 76 % show that our employees are actively interested in helping shape the future of our company. The results provided us with a comprehensive view of our company's strengths and weaknesses and highlighted specific areas for potential improvement. Together with our employees, we are actively working towards finding sustainable solutions that will solidify our goal of being an employer of choice.

ready sent the right signals with the use of flexible working time models and a cooperation with preschools and childcare facilities.

We take feedback from employees very seriously and will address the issues employees deemed as needing improvement with a variety of measures. A continuous process of change was launched in 2012, in which we will gradually develop our organization further. Furthermore, we regularly evaluate remuneration and company benefits, adjusting them to the current standards. An example here is our cooperation with local preschools to facilitate the compatibility of professional and family life. Other examples include our company pension plan, attractive health care and health insurance. Symrise works worldwide on appropriate concepts.

The fluctuation rate is yet another indicator which provides insight into the motivation and satisfaction of employees. Overall, the worldwide fluctuation rate is pleasingly low. Based on local and regional benchmarks, Symrise performs very well and is able to retain its employees.

The slightly higher fluctuation rate in Latin America is largely due to the relocation of our Brazilian production facility from São Paulo to Sorocaba. The move was completed in 2012, following intensive preparations in 2011, which included workshops for employees, individual orientation aids and targeted communication measures. Generally speaking, we include our employees in operational changes in a comprehensive and timely manner. We comply with any local or national statutory notification requirements and deadlines.

EMPLOYEE TURNOVER

REGION	2010	2011	2012 ABSOLUTE	2012
Germany	1.3%	1.5%	34	1.4%
EAME (not including Germany)	5.4%	6.1%	39	5.6%
North America	2.4%	4.9%	16	2.6%
Asia / Pacific	12.0%	10.4%	154	14.1%
Latin America	10.5%	11.2%	54	6.5%
Total	5.1%	5.5%	297	5.3%

GERMANY BY GENDER

Female	–	–	13	0.5%
Male	–	–	21	0.9%
Total	–	–	34	1.4%

WORLDWIDE BY GENDER

Female	–	–	134	2.4%
Male	–	–	163	2.9%
Total	–	–	297	5.3%

Definition: Share of employees that leave the company at their own request each year compared to the average workforce.

Basis: Fixed-term and permanent employees; not including apprentices

Data collection was expanded in 2012 so that a gender-specific presentation will also be possible in the future.



Welcome to Symrise!

45 young people began their training at Symrise in September 2012 as part of a total of eight occupational training programs.

PRINCIPLES OF THE PERSONNEL POLICY

Our Integrated Management System is based on the provisions of the SA 8000 social accountability standard. This standard is based on the conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights and the UN Convention on Children's Rights. The standard is already binding across the entire Symrise Group. It is a matter of course for us that we view humane working conditions, decent employment and the consideration of the social aspects of employment as a precondition for our activities at every site. Any kind of abuse of employees' rights or safety at work provisions is illegal and is not tolerated at Symrise. We guarantee a compensation that, at the very least, corresponds to the legal or standard wage levels for the respective industry. With regard to working hours and paid vacation, Symrise complies with local statutory provisions, wage agreements and national practices in the countries where we operate. We also attach great importance to participation by employees representatives in the spirit of partnership. Treating the interests of our employees fairly also means that we base our remuneration policy on the collective agreements for our industry. A clear commitment to freedom of association and the right to membership in a labor union are a matter of course for us. Around the world, the overwhelming majority of our employees are covered by collective bargaining agreements. In Germany, the figure is 100%. There were no strikes in the company in 2012.

YOUNG TALENT AND PERSONNEL DEVELOPMENT

Symrise adopts a wide range of approaches in its endeavor to recruit and systematically promote qualified employees. In internships geared toward preparation for a career, every year Symrise offers many school pupils and college students around the world the opportunity to gain insights into the company's work processes. In order to acquire well-qualified apprentices for Symrise, we maintain close contacts with schools and vocational colleges in the form of partnerships with student enterprises, holding project days and participating in career guidance measures and e-learning projects. In 2012, Symrise once again organized a "Training Day" for interested pupils and parents at the company headquarters in Holzminden, in order to give them an early opportunity to gain an insight into the working world. As of December 31, 2012, 130 apprentices and trainees were employed at our sites in Germany. This corresponds to a training rate of around 5%.

In addition, we offer students the opportunity to become acquainted with Symrise through apprenticeships or programs for students working towards their bachelor's or master's degrees. About 80 students take advantage of this opportunity every year. Symrise also maintains close contact with universities and other continuing education institutions and regularly takes part in university recruitment fairs. Overall, we have observed that Symrise is viewed as a very attractive employer, especially within our industry's job market. New employees often find our corporate culture inspiring.

EMPLOYEES ACCORDING TO CONTRACT TYPE AND WORKING HOURS

	2010	2011	2012	2012	SHARE IN 2012	SHARE IN 2012	CHANGE IN 2012
	GERMANY	GERMANY	GERMANY	GLOBAL	GERMANY	GLOBAL	GERMANY
Permanent contracts							
Full time	1,959	2,036	2,064	5,254	83.5 %	90.5 %	1.4 %
Part time	282	284	289	341	11.7 %	5.9 %	1.8 %
Total	2,241	2,320	2,353	5,595	95.2 %	96.4 %	1.4 %
Fixed-term contracts							
Full time	130	91	102	188	4.2 %	3.2 %	12.1 %
Part time	17	16	16	21	0.6 %	0.4 %	0.0 %
Total	147	107	118	209	4.8 %	3.6 %	10.3 %
Total							
Full time	2,089	2,127	2,166	5,442	87.7 %	93.8 %	1.8 %
Part time	299	300	305	362	12.3 %	6.2 %	1.7 %
Total	2,388	2,427	2,471	5,804	100.0 %	100.0 %	1.8 %

Basis: Employee figures, not including apprentices and temporary workers
As of December 31 of the respective year

EMPLOYEES ACCORDING TO CONTRACT TYPE: GLOBAL

CONTRACT TYPE	2010	2011	2012	SHARE IN 2012	CHANGE IN 2012
Permanent contracts	5,054	5,200	5,471	96.5 %	5.2 %
Fixed-term contracts	234	234	198	3.5 %	- 15.4 %
Total	5,288	5,434	5,669	100.0 %	4.3 %

Basis: Full-time equivalents (FTE), not including apprentices and temporary workers
As of December 31 of the respective year

EMPLOYEES ACCORDING TO REGION

REGION	2010	2011	2012	SHARE IN 2012	CHANGE IN 2012
Germany	2,271	2,310	2,352	41.5 %	1.8 %
EAME not including Germany	737	732	757	13.4 %	3.4 %
North America	628	613	641	11.3 %	4.6 %
Asia / Pacific	904	1,027	1,113	19.6 %	8.4 %
Latin America	748	752	806	14.2 %	7.2 %
Total (not including apprentices and trainees)	5,288	5,434	5,669	100.0 %	4.3 %
Trainees and apprentices	116	123	130		5.7 %
Total	5,404	5,557	5,799		4.4 %

Basis: Full-time equivalents (FTE), not including apprentices and temporary workers
As of December 31 of the respective year

Personal development in the sense of lifelong learning is gaining in importance for everyone individually and for us as a company too. That is why we strive to assist our employees in this endeavor and to promote their competencies in a targeted manner. By means of a wide range of further and in-service training programs, we offer our employees an opportunity to develop their skills continuously. All Symrise employees are offered safety training, language courses and courses in project management and data processing. In 2012, we finalized a wage agreement regarding further training with social partners in Germany that should help foster the systematic promotion of our employees in addition to existing initiatives. This is part of Symrise's clear commitment to personnel development at all levels, including those employees covered by wage agreements. Lifelong learning is a matter of course at Symrise.



International Inspiration

Global perfumer training has a long tradition at Symrise. We offer talented youngsters training that goes well beyond knowledge of raw materials, encouraging their creativity and enabling them to achieve peak performances. This also includes a visit to the lavender fields in the "Alpes de Haute Provence" in southern France as well as the city of Grasse – considered by many to be the perfume capital of the world. Our perfumer schools are part of the Symrise Perfumers' Academy, which promotes the continuous development of our creative specialists around the world.

As early as 2009, we launched a further training initiative that was aimed specifically at laboratory and production employees. As part of this, unskilled and semi-skilled employees are able to train for a qualification as a mixing specialist or flavor specialist. In addition, chemical workers can train to become process chemical technicians, which involves learning the basics of chemistry, quality control and good production practice along with the risk potential associated with various chemical products and processes. Qualification as an advanced laboratory technician is open to chemical lab technicians and concentrates on subjects such as the basics of process engineering, biotechnology, customer communication and negotiating technique as well as the patent system. We also offer training courses for managers in the Symrise Group as part of the Leadership Academy. An essential component of their development as managers is 360° feedback. The goal is to provide employees with comprehensive feedback and systematically encourage their professional development: "Feedback is a gift" is our motto.

In 2012, worldwide expenses for further training measures were nearly unchanged from the previous year at about € 2.5 million. Our global career@symrise initiative forms an important milestone on our way to an integrated development of our employees' careers by providing a Group-wide software solution for comprehensive personnel management. Following the introduction in 2011 and 2012 of the global performance review process, which involves the systematic evaluation of competences and the agreement of personnel development measures alongside target agreements, we implemented the second module, which deals with succession planning, later in 2012. This way we will be in the position to control the appointment of our key positions on a global level and to make even better use of our potential internationally. With this instrument, employees themselves have the chance to create their own profiles and to make their career goals transparent. This helps to sup-

port the intensive dialogue between managers and employees with regard to career development. The plan in 2013 is to introduce a module to improve global training management. In this way, we grow closer to our goal of turning Symrise into the “employer of choice” for employees located around the world.

During the performance review, we engage in intensive dialogue with our employees, agree on targets, evaluate qualifications and competences, and set yearly personnel development measures. Symrise published its new set of values at the beginning of 2012. Our values include a clear commitment to our employees and their promotion within the company.

DIVERSITY AND EQUALITY OF OPPORTUNITY

Different talents, cultures and views enrich our company and help us to develop new solutions for our various global customers, markets and consumer requirements, and to implement existing requirements in the best way possible. We see the great religious, ethnic, gender, age and cultural diversity of our employees as being both inspiring and a key factor for our success. Our diversity program comprises guidelines for the recruitment and development of personnel with a view to actively promoting this diversity.

As a general rule, we fill vacancies in the Symrise Group solely on the basis of the internal or external applicant’s professional qualification and individual performance. If the qualifications are equal, we give preference to internal applicants in view of our responsibility as an employer. The overwhelming majority of our employees and management personnel at our global locations come from the country in question. On the other hand, we also welcome intercultural workplaces and diversity, which we actively promote with our personnel development measures. Another focal point in our striving for greater diversity is to increase the number of women in management in the medium term. In all, the proportion of women in the Group amounted to 39.6% in 2012. How-



career@symrise: Phase 2

At the start of 2012, our company began an initiative for an integrated approach to employee promotion and development with career@symrise. Along with the target agreement process, career and succession planning are now also integrated into the corresponding online platform. With these changes, every employee should have the opportunity to showcase their skills, define their career aspirations and advance in the company in close dialogue with their superiors.

ever, the proportion in senior management is significantly lower at 21.1 % (in Germany). We aim to continue to increase this share by means of targeted succession planning and a corresponding mentoring program.

Rather than adopt an inflexible quota arrangement, we rely on targeted incentives within the scope of our Talent Management Process and simultaneously create a structured basis for these incentives. One such precondition is the opportunity to reconcile a family and a career. Symrise offers its employees flexible working time models, part-time employment and job sharing. In Germany alone, around 92 % of our employees can arrange their working time flexibly. Furthermore, we cooperate with day care centers at our headquarters in Holzminden to make child care easier. Equal pay for both men and women is a matter of course for us. In many countries, wage agreements govern our employees’ pay. By means of pay categories, we ensure that remuneration is based on qualification, responsibility and performance and that gender-specific differences for equal work are ruled out. For those employees not covered by wage agreements, our job grade model ensures transparency and fairness of remuneration.

EMPLOYEE CATEGORIES ACCORDING TO GENDER IN GERMANY

	2011	SHARE IN 2011	2012	SHARE IN %
Manager				
Male	282	11.6 %	292	11.8 %
Female	75	3.1 %	78	3.2 %
Total	357	14.7 %	370	15.0 %
Non-manager				
Male	1,361	56.1 %	1,385	56.1 %
Female	709	29.2 %	716	28.9 %
Total	2,070	85.3 %	2,101	85.0 %
Total workforce				
Male	1,643	67.7 %	1,677	67.9 %
Female	784	32.3 %	794	32.1 %
Total	2,427	100.0 %	2,471	100.0 %

Definition: Managers, including junior managers, defined as non-tariff employees or managerial employees.

Basis: Employee figures, not including apprentices and temporary workers. As of December 31, 2012

EMPLOYEE CATEGORIES ACCORDING TO AGE IN GERMANY

AGE	MANAGER	SHARE IN %	NON-MANAGER	SHARE IN %	TOTAL	SHARE IN %
20 – 29	1	0.3 %	293	13.9 %	294	11.9 %
30 – 39	63	17.0 %	460	21.9 %	523	21.2 %
40 – 49	166	44.9 %	763	36.3 %	929	37.6 %
50 – 59	121	32.7 %	531	25.3 %	652	26.4 %
60 and older	19	5.1 %	54	2.6 %	73	2.9 %
Total	370	100.0 %	2,101	100.0 %	2,471	100.0 %

Definition: Managers, including junior managers, defined as non-tariff employees or managerial employees.

Basis: Employee figures, not including apprentices and temporary workers. As of December 31, 2012

COMPOSITION OF THE EXECUTIVE AND SUPERVISORY BOARDS ACCORDING TO GENDER

	EXECUTIVE BOARD	SHARE IN %	SUPERVISORY BOARD	SHARE IN %
Male	4	100 %	9	75 %
Female	0	0 %	3	25 %
Total	4	100 %	12	100 %

As of December 31, 2012

In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 62%. A demographic analysis of the workforce conducted at the end of 2010 indicated that demographic development will be very steady in the next ten years. The natural reduction of the workforce due to retirement will be around 1 % or less per year until 2020.

OCCUPATIONAL HEALTH AND SAFETY

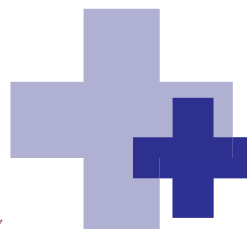
All employees are entitled to a workplace that is free from health and safety hazards. A large number of programs and measures are held globally every year to help ensure safety at work. Due to different local circumstances and requirements, the specific measures are controlled by local systems and working groups at their own discretion. Measures and projects initiated in 2012 generally made a contribution toward further improvements in occupational safety at Symrise. Moreover, our facilities in Holzminden and the subsidiaries Symotion and TESIUM were successfully certified according to OHSAS 18000 in early 2012.

Regular training courses in safety at work are compulsory at Symrise across the Group. As a matter of principle, we investigate every accident and its causes in detail. In production divisions, we use the “kaizen” method in the case of serious accidents. Jointly with employees in the division affected, we draw up an action plan to prevent similar accidents from occurring in the future. However, we recorded an increase in the rate of accidents, including serious ones, in 2012. We have set up a dedicated task force to analyze the situation and develop appropriate countermeasures. We take this matter very seriously and will involve all management personnel in it.

Just as we advocate for the cause of safety at work, health precautions are an important aspect of

our personnel policy. At nearly all sites around the world, we offer our employees a wide range of health promotion activities. We thereby support and maintain the professional capability of our employees at the same time. The nature and scope of these offerings are always geared to the specific requirements of the workforce in question. They range from free vaccinations and regular health checks to in-house and external sport and wellness facilities and advice to medically coordinated reintegration after a lengthy illness. If all in-house health management activities in Germany are combined, we reached approximately 900 employees in 2012.

Many of the health promotion and maintenance services that we provide in Germany are also available at other locations. In the US, we run programs such as “Simply Healthy” in order to raise employee awareness while, in Asia, we inform and train our employees over the course of health and safety weeks. Since there are insufficient public health care systems in a number of countries, we also provide employees in these areas with additional health insurance in order to ensure that health care is available to our employees.



Symply Healthy

In 2011, we started a targeted revision of our measures on health precautions at our sites in the USA under the name “symply healthy.” After a comprehensive analysis of the various ongoing projects, we are now working on integrating and further expanding these as part of a comprehensive health culture. Our employees’ health is a central concern for us in every country.

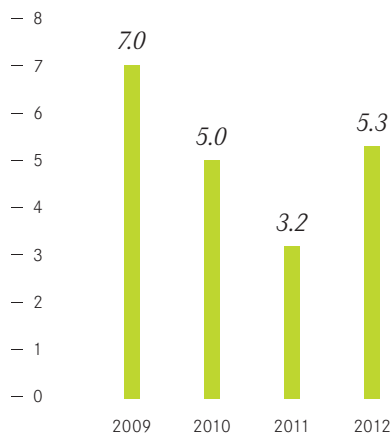
Within the framework of our “Sports & Culture” program, we offer employees various physical recreation opportunities such as soccer, Kara-T-Robic, jogging, volleyball, power walking or yoga, so that it is possible to remain healthy and fit outside of professional activities. We also attach great importance to “operational health management” and have agreed with the company’s social partners on a program that includes further training and educational events. To recognize and minimize ergonomic burdens, health circles were set up with certain focal points and work stations were systematically analyzed for weaknesses. Here, employees can get ergonomic advice, with Symrise covering the costs. In addition, Symrise regularly organizes health days on key issues such as healthy nutrition, stress management and many others. In the management training program, the issue of “addiction and addiction prevention” is addressed.

Health at Work

Three years ago, Symrise AG began an active health management system in cooperation with the Works Council in Germany. The results of the current corporate health audit are clear evidence of its success. The number of points increased compared to the previous year from 338 to 368 out of a possible 400. The corporate health audit examines and assesses health-promoting measures for employees in companies. Symrise was given the grade “excellent” and therefore belongs to the top group of German companies.

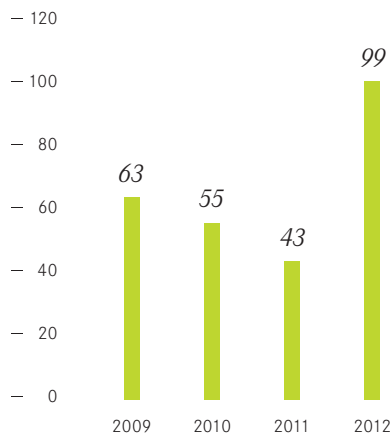


NUMBER OF ACCIDENTS (MAQ)



Number of reportable accidents¹ x 1,000,000 / Number of working hours
¹ Reportable accidents > 1 working day

ACCIDENT SEVERITY (USQ)



Number of lost working days x 1,000,000 / Number of working hours

Society

Companies with a one-dimensional focus on commercial success run the risk of losing the most important basis for business: trust. That's why we actively assume our entrepreneurial responsibility along the entire value creation chain, expanding our commitment beyond our core business into the areas of health, nutrition, sports, culture and education.

CHALLENGES FOR SUSTAINABLE BUSINESS IN SOCIETY

- Reputation and Visibility
- Employee Identification
- Minimizing Procurement Risks
- Interest in a Business-Friendly Regulatory Environment

REQUIREMENTS OF OUR STAKEHOLDERS

- Contribution to Local Economy
- Equitable Distribution of Yields Across Value Chain
- Support and Promotion of Local Infrastructure Developments
- Donations and Sponsoring

Symrise accepts responsibility: We are conscious of our influence on the society in which we work and live. At the same time, we need our employees, business partners and local communities to accept us and trust us as a responsible partner in order to be a successful company. We sell our products on a global market and, likewise, gather the raw materials we need to manufacture them from nearly every corner of the world. That is why the concept of shared value is a primary guiding principle for our business. We want to increase our competitiveness while simultaneously enhancing the economic and social conditions of society.

Sustainability, integrity and commitment are important guidelines and standard components of our corporate values. We want to influence our environment in such a way that not only our company – but also our employees, customers and society at large – can achieve positive and sustainable development.

IN DIALOGUE

A more detailed understanding of our company's influence on its surrounding environment is only possible in dialogue with the local communities and neighbors of our over thirty locations worldwide. We involve the local communities at an early stage when it comes to major changes, such as building projects or production expansions, with our plans for installing a new boiler facility in Holzminden in 2012 as a recent example. We provide our neighbors with comprehensive information and take their concerns into consideration. At our corporate headquarters in Holzminden, we inform the residents about our current business activities, local topics and our social commitments via a regularly published community newsletter. Odor emissions from our production facilities are just one of the important issues for nearby residents. In order to keep odor pollution to a minimum,

“Because we care...”

“Because we care” is the guiding principle summarizing our entrepreneurial responsibility. This simple yet expressive statement reflects both our strategic focus and our professional passion for the topic of sustainability – with regard to everything from sourcing to our employees, sites, products and society.



Multipliers

As part of the permanent expansion of our internal sustainability network, 15 employees in Brazil came together to inspire their colleagues with specific ideas and worthwhile examples for sustainability activities that individuals can live by on a daily basis. The “Symlive Team” has an ambitious goal: By the end of 2013, the committee aims to no longer be as a committee of 15 people, but rather a group of 350 - maybe even more...

we continuously invest in modern filter systems and in improving our existing systems. Regenerative thermal exhaust air cleaning systems are already in use at many sites, enabling us to achieve considerable improvements in this area.

The conservation of natural surroundings near our sites is one of our primary concerns and one that we share with local residents. With the opening of our new innovation center in Brazil, we have become neighbors with a portion of the Mata Atlântica, the Brazilian rainforest. We see it as our responsibility as good neighbors to protect and preserve its rich biodiversity. It goes without saying that the constant evaluation of our company's impact on the environment is one of our obligations.

LOCAL VALUE CREATION

A central element of our procurement policy aims to produce and process important raw materials near to the regions where they are cultivated. We continue to maintain close partnerships with many of our local producers and suppliers, many of whom have been our partners for years. Particularly in Brazil and Madagascar, our main supplier countries for citrus fruits and vanilla, we

have structures in place to not only conduct trade, but also to support and promote the local economies in a targeted manner. We do not view ourselves as outsiders in these regions, but rather as part of the local communities near our sites.

By keeping the major processing steps in the country of origin, we also increase local value creation. For Symrise, this approach secures the long-term supply of raw materials, optimizes quality and yields, and provides maximum transparency for our customers. We believe that our responsible sourcing model establishes the basis for long-term and balanced business relationships and helps us achieve our goal of being a respected member of the community. The resulting trust that we gain from this fair approach benefits both us and our customers. In Madagascar, we know the best areas in which to take action with regard to nutrition, health and education in order to improve the socioeconomic situation of the Madagascan vanilla farmers and their families, thanks to an intensive dialogue with the farmers and cooperatives. In the long run, we benefit from well-educated and motivated business partners and workers as well as from secured access to high-quality resources.

The local procurement and processing of our natural raw materials is also consistent with the nature of our business activities. In fact, Symrise's predecessor company consciously decided to base itself in Holzminden because of the proximity to necessary raw materials. We continue to follow this principle and work to ensure that we are a respected member of our local communities.

EMPLOYEES LEAD THE WAY

The deep-rooted relationships with local communities is primarily thanks to our staff. A large part of our personnel consists of local employees. Over 90% of the management staff are from the local area. For the most part, we recruit our employees from the country in which we are operating, often even from the immediate vicinity of our sites. As a result, many of the initial impulses for charitable projects come directly from our employees themselves. We appreciate and encourage this kind of thinking and behavior, which shows



“Work for a cause and not for applause”

Dedicated employees from all departments at Symrise in India have joined forces to follow this motto. One of the most active sustainability teams in the world, they organize donation drives for sick children, homeless people and others in need – motivating the entire staff to help out. They have organized blood drives to make the free treatment of children at a public clinic possible and have come together to perform volunteer work. Many other initiatives benefiting the environment and local employees have also been carried out.

the independence and commitment of our employees, as another element of our social responsibility and provide them with material and financial support. We want employees that identify with our company and its values and reflect these values externally. Committed employees are the key to becoming an accepted participant in the local community.

Voluntary initiatives that take part in social projects and ensure that we have a targeted positive influence on the local community have been started at nearly every site. In 2012, for instance, employees in India developed ideas that would benefit both the company and society. The result was a list of projects with direct relevance for the local community. Symrise now supports, among others, a local project that offers shelter and assistance to mentally ill women who were forced to leave their homes and live on the streets.

A global employee network of volunteer sustainability ambassadors was initiated to solidify our

sense of entrepreneurial responsibility. These ambassadors motivate and inspire us to take on even more social responsibility using various strategies. They organize workshops, initiate projects and contribute to a greater integration of sustainability in our day-to-day activities by way of targeted initiatives. It is our aim to have every employee contribute to the sustainability of our company and business activities.

DONATIONS AND SPONSORING

We help satisfy peoples' basic needs with our products for the perfume, cosmetic, pharmaceutical and food industries. Nutrition, hygiene, skin protection, care and wellness are just as important for the success of our business as they are for society. That's why we offer support beyond our business activities for organizations, institutions and projects that make a non-profit contribution to these areas. Actual local needs and added value for the community are of the highest priority. Before we initiate or sponsor larger projects, we perform needs analyses.

In order to establish suitable focal points and ensure that our commitment focuses on local needs, we place great value on engaging in dialogue with the areas and communities in which we operate. So while our global donation and sponsorship activities may be coordinated centrally, our local companies themselves decide upon and implement them. In this way, we live up to our commitment to provide funding at the local and regional levels. With corresponding guidelines, we promote both internal and external transparency, ensure that funds are allocated throughout the globe in accordance with uniform principles and that all of our donations are in keeping with our overall corporate strategy. The business units involved are responsible for ensuring donations are allocated correctly, in accordance with these guidelines and the Symrise Code of Conduct. Adherence to regulations is examined as part of regular audits conducted by Internal Audit. We generally do not support organizations whose aim is contrary to our Code of Conduct or whose purpose is to make a profit. Symrise does not donate to politicians or political parties.

Thematically, we focus on the areas of health, nutrition, sports, culture and education. “Promoting health through nutrition and care” receives special resources. In 2012, our “Naschgarten” (“Sweet Garden”) project claimed second place in the KinderHabenRechtePreis (Children Have Rights Award), which is given by Lower Saxony’s Ministry of Social Affairs, Womens’ Issues, Family, Health and Integration as well as Lower Saxony’s Kinderschutzbund (Child Protection League). Each year, this award focuses on a special children’s right

stemming from the UN Convention on the Rights of the Child. With the motto “UNS GEHT’S GUT” (“We’re Doing Well”), the initiative focused on projects that promoted a child’s right to health in 2012: Children and teenagers have the right to live and grow up in good health. We are proud that the Naschgarten is one of the 35 projects awarded.



Education is the Future

Together with the Taiwanese Red Cross, our Symrise team in China is supporting the development of a “movable library” for aboriginal children in the Nantou province who do not have proper and complete access to education. The remote mountainous regions are especially in need of adequate teaching materials and books. China has been an important growth market for us for over thirty years now. As a company in the region, we see it as our duty to contribute to the area’s positive development.

Social Responsibility Starts at the Local Level

At our location in the Philippines, we are supporting a scholarship program for students from low-income families. Along with financial support for our local partner organization Lihuk Panaghiusa, employees from Symrise also gave the youth tips and advice on professional and career development opportunities as part of workshops held in 2012. We also convinced one of our customers in the area to continue to follow up on this project with us in the future. This major player in the region is now using its network to keep the ball rolling.

The Naschgarten was initiated in 2007 in cooperation with government partners. The aim is to bring children closer to nature and to healthy eating. In these days of poor diets, lack of exercise and the increasingly limited scope of experience and creativity, the Naschgarten provides children with room to develop and move around, making healthy eating an experience for all the senses. Children are shown in a fun and entertaining way how plants are raised and cared for, teaching them to responsibly engage with nature. A reward awaits them in the form of delicious and self-harvested vegetables and fruit to snack on. In 2011, the Naschgarten was awarded the title “Good Practice” by the health promotion association for the socially disadvantaged (Gesundheitsförderung bei sozial Benachteiligten). Symrise has contributed more than € 400,000 to the Naschgarten project since its inception.

Due to this project’s great success, we decided to start a similar project near our site in Cleveland, Ohio, in the USA. The project “Grow With Me” focuses primarily on the goal of providing children with a greater understanding of their natural environment. Symrise is supporting the project with donations and voluntary employee commitments.

Aimed at minimizing social inequality, Symrise also supports the NGO Beleza & Cidadania in Brazil. The organization offers affordable courses and training sessions in the area of personal care to low-income citizens. At the same time, Symrise uses the opportunity to more closely study the fragrance preferences and application habits of low-income workers while also testing new fragrances. The results flow into new products that are better suited to consumer needs.

Truly sustainable development must bring the living requirements of today into alignment with the needs of future generations. By supporting scientific advancements and providing youths with access to a quality education, we contribute to this

Knowledge Transfer

In the West African city of Accra, we have been successfully working with the local university on food and flavor technology since 2011. Our company organizes a colloquium every semester as well as various scientific studies, such as on the topic of malnutrition, where talented students can participate. In this way, we are supporting our growth ambitions in West Africa while bringing our know-how to the region and providing added value to the people living there. In the future, we will also be receiving additional support for our plans from the German embassy in Ghana.

contract between the generations. We support pre-schools, schools, universities and other non-profit institutions both in education and training as well as research. A requirement here is that the project to be supported is local to one of our company sites or is relevant to our business activities. We also encourage students to become involved in a sustainability project as part of an internship with our company. This gives us an opportunity to hear new ideas and learn about innovative solutions.

Our support for educational facilities is especially visible in the area surrounding our site in Madagascar. In 2011, we began supporting five primary schools and two secondary schools in the farming villages of the SAVA region (Sambava, Antalaha, Vohemar, and Andapa). We contribute towards securing the livelihoods of over 30 teachers, which allows 2,600 children to receive an education. This support was continued in 2012 and we will continue to expand on it in the coming years.

In the areas of sports and culture, we support clubs and community organizations while also encouraging employee participation in sporting and cultural events by means of initiatives within the company. In doing so, we contribute towards enriching local sports and culture. In 2012, we invested a total of more than € 800,000 in community interests across the Group. This amount includes social projects, donations and sponsorships.



Naschgarten Receives Additional Accolades

The Naschgarten, a successful community project aiming to promote healthy lifestyles for children, once again received public recognition in 2012. The project claimed second place among more than 30 competing projects in the 2012 KinderHabenRechtePreis (Children Have Rights Award) in Lower Saxony. This is now the third recognition and is a clear sign that we are on the right track with the strategy, objectives and programs we have initiated. Symrise has supported the Naschgarten as its initiator, manager and main sponsor since the project's inception five years ago.



Grow with Me

Learning from nature, eating healthily and getting more exercise – these are the issues at the heart of the “Grow with Me” project at our Elyria, Ohio, site in the USA. Here, children and their parents learn how vitamin-rich fruits and vegetables are grown and made into tasty meals. At the same time, they also learn about nutrition and the role of exercise in a healthy lifestyle. Together with the Lorain Metropolitan Housing Association and a local Boys & Girls Club, we have expanded a public playground and built a garden plot in an area marked by unemployment and social problems. The garden is maintained by the families in the housing project and the children in the Boys & Girls Club. Nutrition and horticulture education is held onsite as well. Symrise supports the sustainability project in Elyria both financially as well as through the voluntary commitment of our employees. Its aim is to create an urban garden which enables people to experience nature and become healthy through nutritious, wholesome food.



Four Strong Senses

Symrise Brazil supports the Dorina Nowill Foundation, which promotes the social inclusion of visually-impaired people. The main focus of the project “Perfumery for the Visually Impaired” is to develop and implement an educational program in the fragrances business. The company supports this program by providing training materials and opportunities to start at Symrise by way of an internship. This provides us with potential new talent and opens up new professional opportunities for these individuals.



Statement GRI Application Level Check

GRI hereby states that **Symrise AG** has presented its report "Sharing values" (2013) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 8 February 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint circular watermark background.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 4 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

Glossary

AFF

Aroma Molecules, Flavors & Fragrances

API

Active Pharmaceutical Ingredients, comprising active substances that are used in a pharmaceutical end product

AROMA

A complex mix of flavors and/or fragrances often based on aromatic compounds, which can be aromatic themselves

BALANCED SCORECARDS

A concept for measuring, documenting and managing the company's activities in view of its vision and strategy

BIODIVERSITY

This refers to "the variability among living organisms from all sources" according to the Convention on Biological Diversity (CBD). It includes the diversity within and among species as well as that of ecosystems

BIOFUNCTIONAL

The ability of a substance or product to bring about a predictable function in interaction with an organism without causing undesirable effects

CARBON DIOXIDE EMISSIONS (SCOPE 1,2,3)

The Greenhouse Gas Protocol defines an international standard for recognizing and reporting the CO₂ footprint of a company.

- **Scope 1** describes direct greenhouse gas emissions from sources that belong to or are directly controlled by the company;
- **Scope 2** describes indirect greenhouse gas emissions that develop from the generation of electricity, steam, district heating and cooling;
- **Scope 3** describes all other indirect greenhouse gas emissions that are not covered by Scope 2 (e.g. through business trips, the production of raw materials, outsourced processes)

CITES

The Convention on International Trade in Endangered Species of Wild Fauna and Flora is a treaty that aims to control the international trade of animals and plants in such a way that their survival is not endangered

DIVERSIFICATION

A strategy that expands the business activity of an organization, for instance through new lines of business, products or services

EAME

Europe, Africa and the Middle East

EBITDA

Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets

ECOCERT

One of the world's largest organic certification organizations

ETHANOL

Commonly called alcohol, ethanol is widely used as a solvent for fragrances and flavors, among other uses. Ethanol is also used as a base material for the synthesis of additional products

F&F

Flavors & Fragrances

FLAVOR SPECIALIST

An additional qualification developed by Symrise for production employees that, in addition to mathematics, food chemistry and microbiology, also imparts knowledge regarding technologies and systems that are relevant for flavor production

FREE FLOAT

Share capital of a public company available for trading on the stock market

FSSC 22000

Food Safety System Certification 22000. A standard for ensuring food safety when manufacturing food products

GFSI

The Global Food Safety Initiative (GFSI) is a business-driven initiative for the continual improvement of management systems for food safety

GHG PROTOCOL

The Greenhouse Gas Protocol is the world's most popular method used by governments and companies for understanding, quantifying and managing greenhouse gas emissions

GMP GUIDELINES

GMP stands for Good Manufacturing Practice and comprises guidelines for ensuring the quality of production processes and environments

GREEN CHEMISTRY

This term refers to new approaches that have the goal of reducing environmental pollution and energy consumption in order to carry out production in the most environmentally friendly manner possible. This requires the development of new technologies

HACCP

Hazard Analysis and Critical Control Points (HACCP) is a precautionary system that is supposed to ensure the safety of foods and consumers

ICH Q7A

ICH Q7a is a guideline for good manufacturing practice with regard to pharmaceutical substances. ICH stands for the "International Conference on the Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use"

ILO

The International Labour Organization (ILO) is a specialized agency of the United Nations which has been commissioned with the promotion of social justice as well as human and labor rights

IMS AUDIT

An organizational unit at Symrise that monitors and audits the integrated management system

IOFI

International Organization of the Flavor Industry

ISO 9001

International standard in quality management. It forms the basis for the ongoing process to improve the company's internal management system

ISO 14001

International standard in environmental management. Its goal is the avoidance of environmental impacts in harmony with business, social and political needs

ISO 19011

Guideline for performing internal or external audits of quality management or environmental management systems

ISO 26000

First international guideline for corporate social responsibility. Its aim is to help companies to systematically identify their social responsibilities in this complex field.

ISO 50001

International standard for energy management. Its aim is to support companies in establishing a systematic energy management system. It replaces ISO 16001

KPI

Key Performance Indicator, a figure that allows for the measurement of progress or the level of fulfillment with regard to important targets or crucial success factors

MCM

Macrocyclic musk compounds (MCMs) are biodegradable, synthetic musk fragrances, which adhere significantly better to hair, skin or textile fibers and are an essential component of perfume oils

NGO

Non-Governmental Organization

OHSAS 18001

Internationally recognized specification for occupational safety management systems. The goal is to support companies in meeting requirements with regard to health and safety in the workplace

PAS 2050

First international specification for the evaluation of the life cycle of greenhouse gas emissions arising from goods and services

PHYTOCHEMISTRY

Also called plant chemistry, phytochemistry is a sub-area of biochemistry and botany that researches chemical substances in plants

RAINFOREST ALLIANCE

The Rainforest Alliance is an international non-governmental organization. As such, it is committed to the preservation of biodiversity and the sustainable conservation of the basis of life through ecological land use, socially responsible business practices and value-based consumer behavior

RSPO

As a central organization, the Round Table on Sustainable Palm Oil seeks to promote sustainable cultivation methods for palm oil and thereby limit environmental damage

SA 8000

International standard for social and ethical systems. Its aim is to support companies when it comes to considering employees' rights, workplace conditions and fundamental human rights as part of their business activities

SEDEX

Supplier Ethical Data Exchange (SEDEX) is a non-profit organization with the goal of promoting responsible and ethical business practices in global supply chains

SRI

A Socially Responsible Investment (SRI) is an investment that takes the ethical values of the investor into account, in addition to the economic objectives of the investment

SUPPLY CHAIN

The organizational flow from the supplier to the manufacturer (procurement, production, sale) to the end customer

SYNCHRONIZE™

Synchronize™ is a Symrise initiative that aims to optimize the entire supply chain in close cooperation with customers and suppliers and thus achieve efficiency gains for all parties

TPM

Total Productive Maintenance is a program that promotes constant improvement, particularly with regard to production. TPM focuses primarily on identifying and eliminating losses and wastefulness

WHITE BIOTECHNOLOGY

A new approach that uses biotechnological methods for industrial production processes. This might mean the use of enzymes, for instance

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SYMRISE ON THE INTERNET

www.symrise.com
www.symrise.com/en/sustainability
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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.

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



GRI Index and UN Global Compact Communication on Progress

Our reporting is aligned with the G3 guidelines of the Global Reporting Initiative (GRI), including the “Food Processing” Sector Supplement. The application level “A” has been evaluated and confirmed by the GRI (p. 118). This report also constitutes our first progress report (Communication on Progress – COP) as part of the UN Global Compact. The following index comprises references to places in this corporate report as well as in the financial report that provide information on our commitment to implementing the ten principles of the Global Compact.

NO.	INDICATOR AND DESCRIPTION	STAT.	REFERENCE / NOTE	UNGC
Standard Disclosures				
1.	Strategy and Analysis			
1.1	Statement from the most senior decision maker of the organization	●	Corporate Report 2012 p. 4-7	1-10
1.2	Description of the most important effects, risks and opportunities	●	Financial Report 2012 p. 30-34	
2.	Organizational Profile			
2.1	Name of the organization	●	Corporate Report 2012 p. 123	
2.2	Primary brands, products and/or services	●	Corporate Report 2012 p. 8-11; Financial Report 2012 p. 6-9	
2.3	Operational structure of the organization	●	Corporate Report 2012 p. 8-11; Financial Report 2012 p. 6-9	
2.4	Location of organization's headquarters	●	Financial Report 2012 p. 5	
2.5	Number of countries where the organization operates	●	Corporate Report 2012 p. 8-11; Financial Report 2012 p. 6-9	
2.6	Nature of ownership and legal form	●	Financial Report 2012 p. 6	
2.7	Markets served	●	Financial Report 2012 p. 8-10	
2.8	Scale of the reporting organization	●	Financial Report 2012 p. 14-23, 26-28	
2.9	Significant changes regarding size, structure or ownership	●	Financial Report 2012 p. 21, 14-23	
2.10	Awards received in the reporting period	●	Corporate Report 2012 p. 16-17, 72, 85	
3.	Report Parameters			
3.1	Reporting period for information provided	●	Corporate Report 2012 ii	
3.2	Date of most recent previous report	●	Corporate Report 2012 ii	
3.3	Reporting cycle	●	Corporate Report 2012 ii	
3.4	Contact point for questions regarding the report or its contents	●	Corporate Report 2012 ii	
3.5	Process for defining report content	●	Corporate Report 2012 ii, p. 73-75, 12-15	
3.6	Boundary of the report	●	Corporate Report 2012 ii	
3.7	Any specific limitations on the scope or boundary of the report	●	Corporate Report 2012 ii	
3.8	Basis for reporting on joint ventures, subsidiaries, etc.	●	Corporate Report 2012 ii	
3.9	Data measurement techniques and the bases of calculations	●	Corporate Report 2012 ii, p. 93-97	
3.10	Re-statements of information provided in earlier reports	●	Corporate Report 2012 p. 93, 95, 97, 99-101	
3.11	Significant changes from previous reporting periods	●	Corporate Report 2012 p. 97, 99-101	
3.12	GRI Content Index	●	Corporate Report 2012 p. 124, v, vi	
3.13	External audit and certification	●	No external verification took place.	
4.	Governance, Commitments and Engagement			
4.1	Corporate Governance and governance structure of the organization	●	Corporate Report 2012 p. 8-9; Financial Report 2012 p. 6	1-10
4.2	Independence of the highest governance body	●	Corporate Report 2012 p. 8-9; Financial Report 2012 p. 6	1-10
4.3	Structure of governance bodies in organizations without Supervisory Board	●	Not applicable. A Supervisory Board exists.	
4.4	Employee and shareholder participation possibilities	●	Corporate Report 2012 p. 73-75, 102-104; Financial Report 2012 p. 35-37	
4.5	The link between compensation for members of the highest governance body, senior managers and executives and the organization's performance	●	Corporate Report 2012 p. 68; Financial Report 2012 p. 37-41	1-10
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	●	Financial Report 2012 p. 43	1-10
4.7	Expertise of the members of the highest governance body and its committees relevant to economic, environmental and social performance	●	Corporate Report 2012 p. 66-70; Financial Report 2012 p. 43	1-10
4.8	Mission statements, codes of conduct and principles relevant to sustainability	●	Corporate Report 2012 p. 66-70	1-10
4.9	Method for monitoring sustainability performance	●	Corporate Report 2012 p. 66-68; Financial Report 2012 p. 30	1-10
4.10	Assessment of the highest managing body's performance regarding sustainability	●	Corporate Report 2012 p. 66-68; Financial Report 2012 p. 43	
4.11	Accounting for the precautionary approach	●	Corporate Report 2012 p. 68-72; Financial Report 2012 p. 30-34	7
4.12	External agreements, principles or initiatives	●	Corporate Report 2012 p. 4, 77-80, 81-82, 89	1-10
4.13	Membership in associations and advocacy groups	●	Corporate Report 2012 p. 72; Financial Report 2012 p. 13-14	1-10
4.14	List of stakeholder groups engaged by the organization	●	Corporate Report 2012 p. 73-75	
4.15	Basis for the identification and selection of stakeholders with whom to engage	●	Corporate Report 2012 p. 73-75	
4.16	Approaches for the engagement of stakeholders	●	Corporate Report 2012 p. 73-75	
4.17	Central themes for stakeholders	●	Corporate Report 2012 p. 73-75	

NO.	INDICATOR	STAT.	REFERENCE / NOTE	UNGC
Disclosures on Management Approach				
DMA SC	Disclosures on management approach to procurement	●	§§ p. 76-77	1-10
DMA EC	Disclosures on management approach to the economy	●	§§ p. 8-15, 60-63	1, 4, 6, 7
DMA EN	Disclosures on management approach to the environment	●	§§ p. 92-98	7-9
DMA LA	Disclosures on management approach to labor practices and decent employment	●	§§ p. 105, 108-111	1, 3, 6
DMA HR	Disclosures on management approach to human rights	●	§§ p. 76-77, 108-111	1-6
DMA SO	Disclosures on management approach to society	●	§§ p. 68-70, 88-89, 114-116	10
DMA PR	Disclosures on management approach to product stewardship	●	§§ p. 88-89	1, 8
DMA AW	Disclosures on management approach to animal treatment	○	Symrise does not keep any animals.	
Performance Indicators				
Performance Indicators: Economic				
EC1	Direct economic value generated and distributed	●	§§ p. 14-22; § p. 116	
EC2	Financial implications and other risks and opportunities due to climate change	●	§§ p. 70-71	7-9
EC3	Coverage of defined benefit plan obligations	●	§§ p. 87-93	
EC4	Significant financial assistance received from government	●	§§ p. 19-20, 60	
EC6	Business policies and practices regarding local suppliers	●	§§ p. 79-80	
EC7	Procedure for hiring local employees	●	§§ p. 113-114	6
EC8	Services provided primarily for public benefit	●	§§ p. 114-117	
Performance Indicators: Environment				
EN1	Materials used by weight or volume	○	§§ p. 77-83; Exact weight and volume figures are viewed as confidential information.	8
EN2	Ratio of recyclable material to total input materials	●	§§ p. 77	8, 9
EN3	Direct energy consumption by primary energy sources	●	§§ p. 95-96, 99	8
EN4	Indirect energy consumption by primary sources	●	§§ p. 95-96, 99	8
EN5	Energy saved due to conservation and efficiency improvements	●	§§ p. 93-96	8, 9
EN7	Initiatives to reduce indirect energy consumption	●	§§ p. 95-96	8, 9
EN8	Total water withdrawal by source	●	§§ p. 96-97, 100	8
EN11	Land use in protected areas	●	§§ p. 98-99	8
EN12	Significant impacts of operations on the biodiversity of protected areas	●	§§ p. 98-99	8
EN16	Direct and indirect greenhouse gas emissions by weight	●	§§ p. 94-95, 99	8
EN17	Other relevant greenhouse gas emissions by weight	○	§§ p. 94-97	8
EN18	Initiatives to reduce greenhouse gas emissions	●	§§ p. 97-101	7-9
EN19	Emissions of ozone-depleting substances by weight	○	§§ p. 95	8
EN20	NOx, SOx and other significant air emissions by type and weight	○	§§ p. 95	8
EN21	Total wastewater discharges by type and location of discharge	●	§§ p. 97, 100	8
EN22	Total weight of waste by type and disposal method	●	§§ p. 97, 101	8
EN23	Total number and volume of significant pollutant spills	●	§§ p. 97	8
EN26	Minimization of environmental impacts stemming from products and services	●	§§ p. 92-98	7-9
EN27	Returned packaging material	●	§§ p. 77	8, 9
EN28	Sanctions and monetary fines arising from non-compliance with environmental regulations	●	There were no significant fines from legal violations in 2012.	8
Performance Indicators: Labor Practices and Decent Employment				
LA1	Total workforce by employment type and region	●	§§ p. 106	
LA2	Employee turnover	○	§§ p. 104; Based on internal investigations, we believe that a further breakdown does not provide any additional benefits relevant to sustainability.	
LA4	Percentage of employees covered by collective bargaining agreements	●	§§ p. 105	1, 3
LA5	Minimum notice period(s) for significant operational changes	●	§§ p. 104-105	3
LA7	Work-related rates of injury, occupational diseases, lost days, absenteeism and work-related fatalities	○	§§ p. 110-111; Occupational diseases and lost days are not reported as this information is viewed as confidential.	1

NO.	INDICATOR	STAT.	REFERENCE / NOTE	UNGC
Performance Indicators: Labor Practices and Decent Employment				
LA8	Precautionary measures regarding serious illnesses	●	📄 p. 110-111	1
LA10	Education and training per employee and employee category	○	📄 p. 105-108; A systematic data collection system is currently being developed	
LA12	Percentage of employees receiving regular performance and development reviews	●	📄 p. 107-108	
LA13	Diversity of employees and governance bodies	○	📄 p. 108-110; Disclosures on minorities are not reported as this information is considered confidential.	1, 6
LA14	Wage differences according to gender	○	📄 p. 108; Remuneration system is not gender-based. There is currently no evidence to suggest further analysis.	1, 6
Performance Indicators: Human Rights				
HR1	Investment agreements with human rights clauses	●	📄 p. 79-80	1 – 6
HR2	Supplier checks regarding compliance with human rights	●	📄 p. 79-80	1 – 6
HR4	Total number of incidents of discrimination and actions taken	●	Discrimination on the basis of personal characteristics is not tolerated at Symrise. No incidences of discrimination came to light in the reporting period.	1, 2, 6
HR5	Right to freedom of association and collective bargaining	●	📄 p. 105, 79-80	1, 2, 3
HR6	Operational activities with the risk of child labor	●	📄 p. 105, 79-80	1, 2, 5
HR7	Operational activities with the risk of forced labor	●	📄 p. 105, 79-80	1, 2, 4
Performance Indicators: Society				
SO1	Impact on community and society from operational activities	●	📄 p. 112-113	
SO2	Investigations regarding corruption risks	●	📄 p. 68-70	10
SO3	Employees trained in organization's anti-corruption policies and procedures	●	📄 p. 68-70	10
SO4	Actions taken in response to incidents of corruption	●	📄 p. 70	10
SO5	Political positions, participation in political processes and lobbying	●	📄 p. 73-75, 115; 📄 p. 13-14	1-10
SO8	Sanctions and monetary fines from legal violations	●	At present, only a few Group companies are affected by ongoing legal proceedings. There were no significant fines from legal violations in 2012.	
Performance Indicators: Product Responsibility				
PR1	Health impacts stemming from products along the product life cycle	●	📄 p. 73, 88-89	1
PR2	Total number of incidents of non-compliance with regulations or voluntary codes concerning the impacts of products	●	📄 p. 89	1
PR3	Legally required product labeling	●	📄 p. 88-89	8
PR6	Legal conformity in advertising	○	We do not market our products to end consumers. Our products are custom-tailored to the needs of our customers. We therefore do not advertise directly to consumers.	
PR9	Monetary fines related to product condition violations	●	There were no significant fines from legal violations during the reporting period.	
Sector Indicators: Food Processing				
FP1	Suppliers that conform with procurement policy	●	📄 p. 79-80	1-10
FP2	Percentage of products purchased according to sustainability standards	●	📄 p. 81-82	
FP3	Strike-related down-times	●	📄 p. 105	
FP4	Programs for promoting a healthy lifestyle	●	📄 p. 114-117	
FP5	Products from safety certified production plants	●	📄 p. 89	
FP6	Products with reduced fat, sodium and sugar levels	●	📄 p. 88	
FP7	Products with an increased level of fiber, vitamins, minerals, herbal or health-promoting additives	●	📄 p. 88	
FP8	Nutritional information beyond the legal requirements	○	We do not market our products to end consumers.	
FP9	Number of animals according to species	●	Symrise does not keep any animals.	
FP10	Bodily changes and use of narcotics	○	Symrise does not keep any animals.	
FP11	Livestock breeding	○	Symrise does not keep any animals.	
FP12	Use of antibiotics, anti-inflammatory agents, hormones and/or growth enhancers	○	Symrise does not keep any animals.	
FP13	Regulatory violations and non-compliance with voluntary standards regarding the treatment of animals, their transport or slaughter	○	Symrise does not keep any animals.	

Financial Calendar

MARCH 12, 2013

Annual Press Conference/Analyst Conference
Financial Year 2012

MAY 7, 2013

Interim Report 1st Quarter 2013

MAY 14, 2013

Annual General Meeting, Holzminden

AUGUST 7, 2013

Interim Report 2nd Quarter 2013

NOVEMBER 5, 2013

Interim Report 3rd Quarter 2013



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