

Sharing values

Growing through **Diversity**

Corporate Report 2014



Key Figures of the Group

		2010	2011	2012	2013	2014
Business						
Sales	€ million	1,571.9	1,583.6	1,734.9	1,830.4	2,120.1
EBITDA ¹	€ million	331.2	315.9	338.9	373.1	464.5
EBITDA margin ¹	in %	21.1	20.0	19.5	20.4	21.9
EBIT ¹	€ million	244.4	234.4	252.6	283.1	337.9
EBIT margin ¹	in %	15.5	14.8	14.6	15.5	15.9
Net income ¹	€ million	133.5	146.5	157.5	172.3	211.6
Balance sheet total (as of December 31)	€ million	2,059.0	2,120.3 ²	2,150.2 ²	2,210.4	3,999.8
Capital ratio (as of December 31)	in %	40.9	40.9 ²	40.9 ²	43.0	35.8
Investments (without M & A)	€ million	70.5	67.3	70.3	70.7	101.3
Net debt (incl. pension provisions and similar obligations) / EBITDA (as of December 31) ¹	ratio	2.2	2.4 ²	2.4 ²	2.0	3.2
Research and development expenses ¹	€ million	107.9	107.6	113.8	127.0	138.9
Operating cash flow	€ million	235.1	200.9	219.5	274.8	343.2
Capital Market						
Shares issued as of balance sheet date	millions	118.2	118.2	118.2	118.2	129.8
Share price at end of fiscal year (Xetra® closing price)	in €	20.53	20.62	27.12	33.50	50.13
Market capitalization at end of fiscal year	€ million	2,426.1	2,436.7	3,204.9	3,958.8	6,507.5
Earnings per share ¹	in €	1.13	1.24	1.33	1.46	1.69
Dividend per share	in €	0.60	0.62	0.65	0.70	0.75 ³
Environment						
Carbon dioxide emissions (Scope 1 and Scope 2) ^{4,5}	in t	254.44	251.61	240.51	226.00	205.13
Chemical oxygen demand (COD) in wastewater ^{4,5}	in t	5.96	6.47	5.73	5.68	4.88
Sensitive waste ^{4,5}	in t	21.97	18.74	16.51	14.99	15.54
Employees						
Employees (as of December 31)	FTE ⁶	5,288	5,434	5,669	5,959	8,160
Fluctuation rate	in %	5.1	5.5	5.3	4.4	4.8
Number of accidents	MAQ ⁷	5.0	3.2	5.3	5.3	4.8

As a result of the combination of the business activities with Diana, only the key financial figures and numbers of employees are presented in the consolidated form.

¹ Figures for 2014 normalized for transaction and integration costs as well as one-off valuation effects related to business combinations

² adjusted as a result of changes to accounting policies in 2012

³ proposal

⁴ per € m of value created

⁵ In 2014, we redefined the calculation method for our consumption and emission values: We no longer calculate this data per ton of product, but rather per € m of value created.

The values from the previous years have been adjusted accordingly. The underlying trend remains unchanged.

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

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



Symrise has always been creating exciting taste and fragrance experiences – this is at the heart of our daily operations. With commitment and dedication, we develop the best possible concepts for our customers' products. We do this so that consumers around the world can enjoy the most common things of life, which often contain health-promoting or nurturing properties.

Symrise stands for diversity: for thousands of different products, for a wealth of ideas and for people from different backgrounds who are interconnected and share values. Together we turn this diversity into a competitive advantage: We are creative, constantly striving to provide the highest quality and sustainability, fulfilling our motto of "always inspiring more..." day after day.



Many of the renowned products that consumers around the world use in their kitchens or bathrooms contain ingredients and substances from Symrise. These products release fragrances, provide flavor, have nurturing properties or promote health. We make life more pleasant and diverse: for the whole family, in every area of life and around the clock.



Every single day, we share values, live out our creativity and constantly pursue excellence and sustainability to fulfill our promise of “always inspiring more...”

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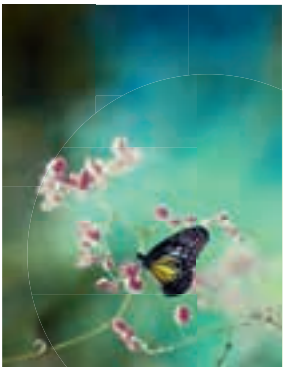
02

MAGAZINE

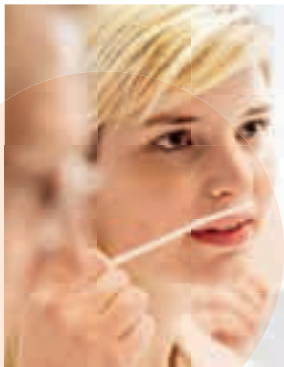
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This print publication is an abridged version.
The online report with a wide variety of additional
information is available at cr2014.symrise.com.

Dear Readers and Friends of the Company,

The world of Symrise thrives on diversity. This is reflected in the roughly 30,000 products our company makes that delight the senses of consumers around the world, promote their health or offer them nurturing properties. It is seen in our dependence and use of nature's diversity, which is reflected in the approximately 10,000 different raw materials we use to manufacture creative and innovative fragrances, flavorings, cosmetic ingredients and nutritional ingredients. It is also seen in the 160 sales markets we serve around the globe.

We use the diversity in our company – the diversity of ideas, cultures, backgrounds, genders and ages – to develop unique concepts for our customers' products and create unique experiences for consumers. We see diversity as a competitive advantage and an essential basis for value creation, which is why we work hard to encourage it.

Growing through Diversity is the title of our corporate report 2014 and is also the main theme of the interviews and reports in the magazine section. There we report on sustainable raw material sourcing, the efficient use of resources and innovations from nature while also taking a closer look at the people behind Symrise, who form the backbone of our strong corporate culture on the basis of shared values.

You'll find something new in our corporate report this year, with the addition of the sustainability record. As a signatory of the United Nations Global Compact, we voluntarily committed ourselves to consistently upholding and implementing principles of responsible business. Alongside of this, the corporate report also contains extracts from the management report and the consolidated financial statements. This goes hand in hand with our integrated corporate strategy.

We can tell you this much up front: The 2014 fiscal year represented another very successful year for Symrise. We once again outperformed the market and achieved profitable growth. We exceeded the € 2 billion mark in sales and set a new record with normalized net income of € 212 million. And we tapped into new growth potentials with the integration of the Diana Group and gained new competencies – along with greater diversity.

We hope you enjoy reading our corporate report and this brief excursion in the world of Symrise.

Your Global Management Committee

“Our integrated corporate strategy aims at sustainable, profitable growth. To achieve this, we focus on cultivating a strong corporate culture that is based on *shared values and cooperation.*”



SYMRISE'S GLOBAL MANAGEMENT COMMITTEE

(from left to right) Achim Daub, President Scent & Care Worldwide • Bernd Hirsch, CFO • Dr. Heinz-Jürgen Bertram, CEO
• Heinrich Schaper, Flavors Division • Dr. Jean-Yves Parisot, Diana Division • Dr. Norbert Richter, Aroma Molecules Division
• Eder Ramos, Cosmetic Ingredients Division

Who We Are & What We Stand For

Symrise's products provide exciting flavor and fragrance experiences and contribute to the health and well-being of consumers in 160 countries around the world. Innovation, diversity and sustained success characterize our corporate development.

WHO WE ARE Symrise develops, produces and sells approximately 30,000 fragrances and flavors and cosmetic ingredients based on roughly 10,000 mostly natural raw materials, including vanilla, citrus products, onions, fish, meat or flower and plant materials. Further, we provide biofunctional and bio-active ingredients and substances as solutions in the health and personal care application areas. Symrise is also characterized by its development of products with additional benefits – for instance reduced sugar or salt content or reduced levels of preservatives. Sustainable product solutions, based on the company's expertise in green chemistry and white biotechnology, are constantly at the forefront.

The expansion of the Group in 2014 is further advancing the company's development: With the acquisition of the French Diana Group, Symrise is expanding into the highly attractive market segment for pet food and broadening its portfolio of natural raw materials. The inclusion of the Swedish Probi AB in the Symrise Group strengthens research and development in the area of probiotic, health-promoting food and nutritional supplements.

As of December 31, 2014, a total of 8,301 people were employed by the Symrise Group. Their hard work, passion and diversity are key to the company's success.

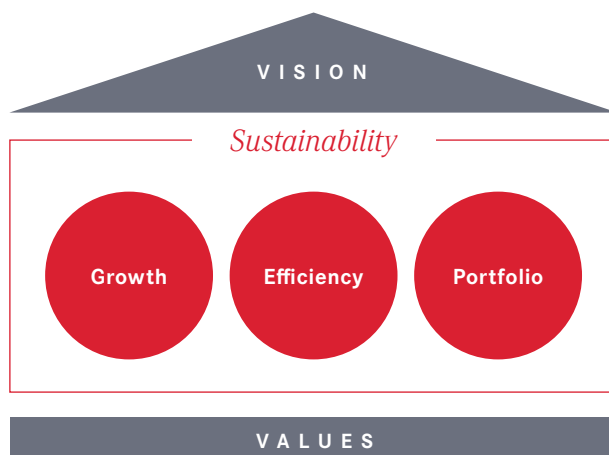
WHAT WE STAND FOR Shared values are the basis for common goals at Symrise. The employees of the Diana Group share these values and actively support the same goals.

Sustainability is part of the business model at Symrise, as it creates tangible competitive advantages.

The integrated corporate strategy is aimed at sustainable, profitable growth through processes that are continually made more efficient and a portfolio that helps satisfy the basic needs of a growing population in the areas of food, health and well-being.

Together with the innovative strength that is typical of Symrise, its employees fulfill the company's promise of "always inspiring more..." day after day.

The Integrated **Symrise Corporate Strategy**



Symrise

Segments

FLAVOR & NUTRITION

SCENT & CARE

Divisions

Flavors

Diana



Fragrances

Cosmetic
IngredientsAroma
Molecules

Application Areas

Beverages

Food

Fine Fragrances

Cosmetic
Ingredients

Menthols

Savory

Pet Food

Personal Care

UV
FiltersSpecial
Fragrance & Flavor
Ingredients

Sweet

Nova

Household

Fine Aroma
Chemicals

Oral Care

HOW THE GROUP IS STRUCTURED The operating business breaks down into the two segments Flavor & Nutrition and Scent & Care. While Flavor & Nutrition consists of the two divisions Flavors and Diana, Scent & Care contains the three divisions Fragrances, Cosmetic Ingredients and Aroma Molecules. The segments and divisions work closely together in order to make use of synergies and share knowledge.

The Group's Corporate Center is located in Holzminden, Germany. The company has regional headquarters in France (Rennes), in the USA (Teterboro, New Jersey), Brazil (São Paulo) and Singapore. With Symrise sites in more than 40 countries, the Group has a local presence in its most important sales markets. Our direct proximity to customers and raw materials is equally beneficial to the continual increase in the company's value, society and the environment.

What We Achieved in 2014

2014 was a successful year for Symrise – in every area. We substantially increased sales and earnings in the operating business. With the acquisition of the French Diana Group, we gained additional competencies and potential for growth. Comprehensive investments also promote the growth and efficiency of our business activities. Our sourcing was strengthened in accordance with the guidelines of backward integration, biodiversity and social responsibility. We share our values along the entire value chain with employees and external partners.

Employees

2,066 Diana employees became part of the Symrise team.

•
Employee turnover at a low 4.8%.

•
Conducting a global study on diversity within the company.

•
“Future Generation Leadership Development Program” further developed.



New Markets

Diana gives us a leading position on the market for pet food.

•
With Diana, Symrise gains comprehensive expertise in baby food.

•
Diana expands our expertise in food supplements and cosmetics with its know-how regarding phytoactives.



Partnerships

Framework program for the conservation of biodiversity with the Global Nature Fund (GNF) and the Union for Ethical BioTrade (UEBT).

•
Development partnership with the German Society for International Cooperation (GIZ) and Unilever for 4,000 vanilla farmers in Madagascar.

•
With the Censo certified lavandin we support 2,000 farmers in Provence. A cooperation with the french CRIEPPAM research institute allows for a higher yield and quality.



Investments

Start of construction on a cogeneration plant, Holzminden.

•
Construction of a site in the Natura Ecoparque, Brazil.

•
Expansion of natural flavor production, Holzminden.

•
Opening of a new extraction plant, Madagascar.

•
Opening ceremony for our first subsidiary in West Africa (Nigeria).



Business



Sourcing

About 7,000 smallholders supply Symrise with their vanilla. More than 34,000 people in Madagascar benefit from this.

•
With the takeover of Diana, we achieved our goal of 40% backward integration with strategic raw materials.

•
70% of our main suppliers are measured by sustainability criteria.

•
Our site in the Ecoparque, Brazil, will be supplied with plant seeds by about 2,000 families from 22 surrounding communities.

Sales

€ 2,120 million

+ 16 % compared to 2013

•
12 % of global market share

•
47 % in the emerging markets

Normalized EBITDA

€ 465 million

+ 24 % compared to 2013

•
Normalized EBITDA Margin 21.9 %

•
Contribution from Scent & Care
€ 223 million

•
Contribution from Flavor & Nutrition € 242 million

Normalized earnings per share

1.69 €

+ 16 % compared to 2013 at an increased number of shares.

•
11,639,274 new shares were issued thanks to successful capital increases.

•
Dividend proposal for 2014
of € 0.75 per share (+ 7.1 % compared to 2013).

Joining the Family

Diana – *Performance from Nature*

The Diana Group became a member of the Symrise family on July 8, 2014.

The companies are similar in many ways:

- Agile customer orientation
- Market-leading position with high growth potential
- Innovation as a growth driver
- Lighthouse projects in sustainability

Diana: A Profile

Diana is a worldwide leading player providing customized sensorial and nutritional solutions based on natural ingredients to its customers in the Food, Pet Food, Nutraceuticals, Aquaculture and Cosmetics industries. Diana's unique expertise in biosciences, its strong backward integration approach and major investments in innovation serve the performance of customers' brands and bring additional benefits to the well-being of the whole family.

Like Symrise, the company headquartered in Rennes, France, has a broad network of international production sites and sales branches. Together, the two companies are represented in more than 40 countries – maintaining proximity to customers as well as raw materials.

Diana's dynamic corporate culture thrives on diversity: Diana's 2,000+ employees are of 31 different nationalities. 56% of the employees in management positions are women. More than 10% of employees work in the areas of research & development. Both companies look forward to a close cooperation especially in research & development.



Diana's Products

Diana is the preferred partner of customers from all over the world for support in market positioning and creating value through six advantages:

- Solutions based on natural ingredients
- Additional sensory and nutritional benefits
- Custom-tailored products driven by innovation and close partnerships
- Unique know-how in biosciences processes
- Supply security and traceability from a high level of backward integration
- Sustainable resource management and preservation of biodiversity

Symrise's advancements in biotechnology and in patented adsorption methods will allow for even more sustainable product solutions for customers – thereby further strengthening Diana's portfolio and market dynamics.



01_Baby Food: total safety for future generations

02_Pet Food: brand performance and pet owner satisfaction

03+04_Diana Nova: a prospective approach to future leaderships through innovation

05_Integrated innovation driven by customer intimacy

06_Biosciences expertise through a large range of mastered technologies

07_Selecting the best of nature and providing performance to customers

08_Sustainable sourcing: guarantying full traceability



Benefits for the Group

The integration of Diana as an independent division of the Flavor & Nutrition segment provides Symrise with:

- Unique integrated capabilities to create sustained consumer preferences and customer value
- Access to new markets position such as the pet food and baby food markets with a very strong market leadership
- Strengthened portfolio of solutions based on natural ingredients

- Expansion of backward integration with respect to further taste competencies especially in fruit and vegetables
- Knowledge sharing platform in research & development
- New technologies
- Joint use of operational infrastructure

The corporate strategy and the product portfolio of Diana and Symrise supplement one another ideally. The merger of Diana and Symrise strengthens both companies.

Diana's application areas enrich the Group's portfolio with attractive product solutions:



Food

Diana Food enhances the culinary taste of savory applications, naturally colors beverages and confectionary goods, brings texture and visual impact to baby food and health actives to food supplements.



Pet Food

Diana Pet Food, the world's leading partner committed to improving pet food performance, develops innovative solutions to increase the well-being of cats and dogs, and pet owner satisfaction.



Nova

Diana Nova acts as an incubator, gathering new activities such as aquaculture and plant cell culture. Diana Aqua turns marine resources into bioactive solutions. DianaPlantSciences develops potent phytoactives and tailored organoleptic solutions.



Our mission has always been creating good food and a great experience – good food that is sustainable, nutritious, healthy and trusted; a great experience that delights everyone in terms of flavor, aroma, texture, color and mouthfeel. Diana represents a natural evolution in this direction, adding distinctive sustainable, sensorial and nutritional performance capabilities to our range. Together we create sustained consumer preference and customer value.

Probi – *First in Probiotics*

The Swedish company Probi AB researches and develops in the area of probiotics and is an international leading manufacturer of probiotic cultures for beverages, milk products and nutritional supplements. Probiotics promote gastrointestinal health and strengthen the immune system.

Probi AB (= Aktiebolaget; Swedish for stock corporation), headquartered in Lund in southern Sweden, was added to the Symrise family on April 29, 2014, and is fully consolidated in Symrise's consolidated financial statements. Symrise holds 49 % of the voting rights in Probi AB.

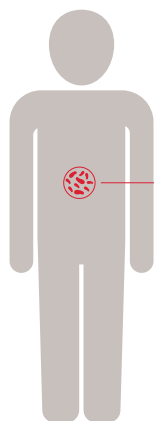
Symrise and Probi are working together to develop probiotics with health-promoting characteristics. The focus of the strategic collaboration is the development of functional ingredients for oral care products. With the combination of Symrise's know-how in the areas of sensory and functional ingredients and Probi's wealth of experience in patented probiotics, completely new products with high-quality profiles can be developed for consumers – particularly those that offer proven health benefits.

The global market for probiotics and probiotic food is constantly growing. In 2013, the market volume expanded by 5 % to € 23.6 billion.

The average adult has about 1 kg of bacteria in their body. Normally, the “good” and “bad” bacteria are more or less in balance. Unhealthy eating habits can endanger this balance and cause illnesses of the digestive tract and cardiovascular system or result in diabetes. The bacteria developed by Probi counteract the negative consequences of our modern lifestyles.

Probi sees itself as a profit-oriented research company. In their aim to develop the company into one of the world's leading suppliers in the premium segment for probiotics, research and development combine in a close and equal cooperation with marketing and sales.

75 kg



The
average adult
has about
1 kg
of bacteria in
their body

PROBI BY NUMBERS 2014

308

*protected patents
for probiotics and
their application*

35

*Product sales in
35 countries*

135.2

*Sales: SEK
135.2 million*

27.0

*EBIT: SEK
27.0 million*

20

% EBIT margin

207

*tons CO₂ equivalents
were offset by sup-
porting a forestation
project in Malawi*



Where **We Are Heading**

The Executive Board of Symrise AG has its eye on the long-term development of the company. The following pages provide an answer to the fundamental question “Where we are heading” – with a view to sustainable growth. CEO Dr. Heinz-Jürgen Bertram highlights the most important points:

What are the guiding principles for the development of Symrise in the coming years or even decades?

Symrise operates in attractive and versatile markets that are constantly facing new challenges. We battle for market share with very capable, established competitors. In this environment, we want to maintain and expand Symrise's strong position to secure the future of the company in the interest of our shareholders, employees, customers and suppliers. Constant innovation that enhances the customer benefits of our products and product solutions as well as the ongoing discovery of new business opportunities are major driving forces in this effort. Every year, we set ourselves the goal of growing faster than the relevant markets and thereby maintaining our high level of profitability, which provides us with strategic flexibility.

But long-term business success is not possible without a conscious attitude and a coherent system of values. How do we treat each other within the company? What kind of relationship do we maintain with our customers? Are we acting responsibly towards the environment and society? Symrise has a solid foundation of values that is shared by all of its employees. "Sharing values" is not merely a motto for our Corporate Report – it is at the heart of our everyday experience. We derive goals from these values that we pursue with determination – see "Our 2020 Objectives" on the next two spreads.

The big news from the 2014 fiscal year was the acquisition of the French Diana Group. Why did Symrise decide to purchase Diana and where are we heading from here?

Diana is one of the most attractive companies in the food ingredients industry and an ideal fit for Symrise. With Diana, we are substantially expanding our portfolio of natural ingredients. Furthermore, we are opening up new areas of business, enlarging our backward integration for agricultural raw materials and thereby meeting the expectations of our customers regarding the traceability of ingredients. Diana is characterized by a high-quality product portfolio and customer base, high profitability and growth prospects stemming from its strong innovative ability. With the ongoing integration of Diana, we are creating a unique platform within the industry that gives us new opportunities for profitable growth beyond our previous target markets. Diana and Symrise are not only a perfect match regarding their economic aspects, but the DNA of both companies is also very similar.

That makes us curious. Do Diana and Symrise both share a "winning gene"?

I don't think I like the term, but it's got the right idea. The outstanding development of Symrise since 2003 and Diana's performance since the 1990s shows that the employees in both companies have internalized attitudes and values that form the basis for sustained entrepreneurial success. Whether "always inspiring more..." or "performance from nature," our thoughts and actions are constantly guided by creativity and innovation. We apply the highest standards to our work and our products while maintaining a clear customer orientation. Diana will add its close connection to nature and related raw materials to Symrise's extensive expertise in flavor profiles that satisfy the needs and desires of consumers. This will provide a comprehensive experience for consumers and many new impulses for our business. I am looking forward to it.

Our 2020 Objectives

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

Sustainable Growth

5 – 7 %

*Average annual sales growth
(CAGR)*

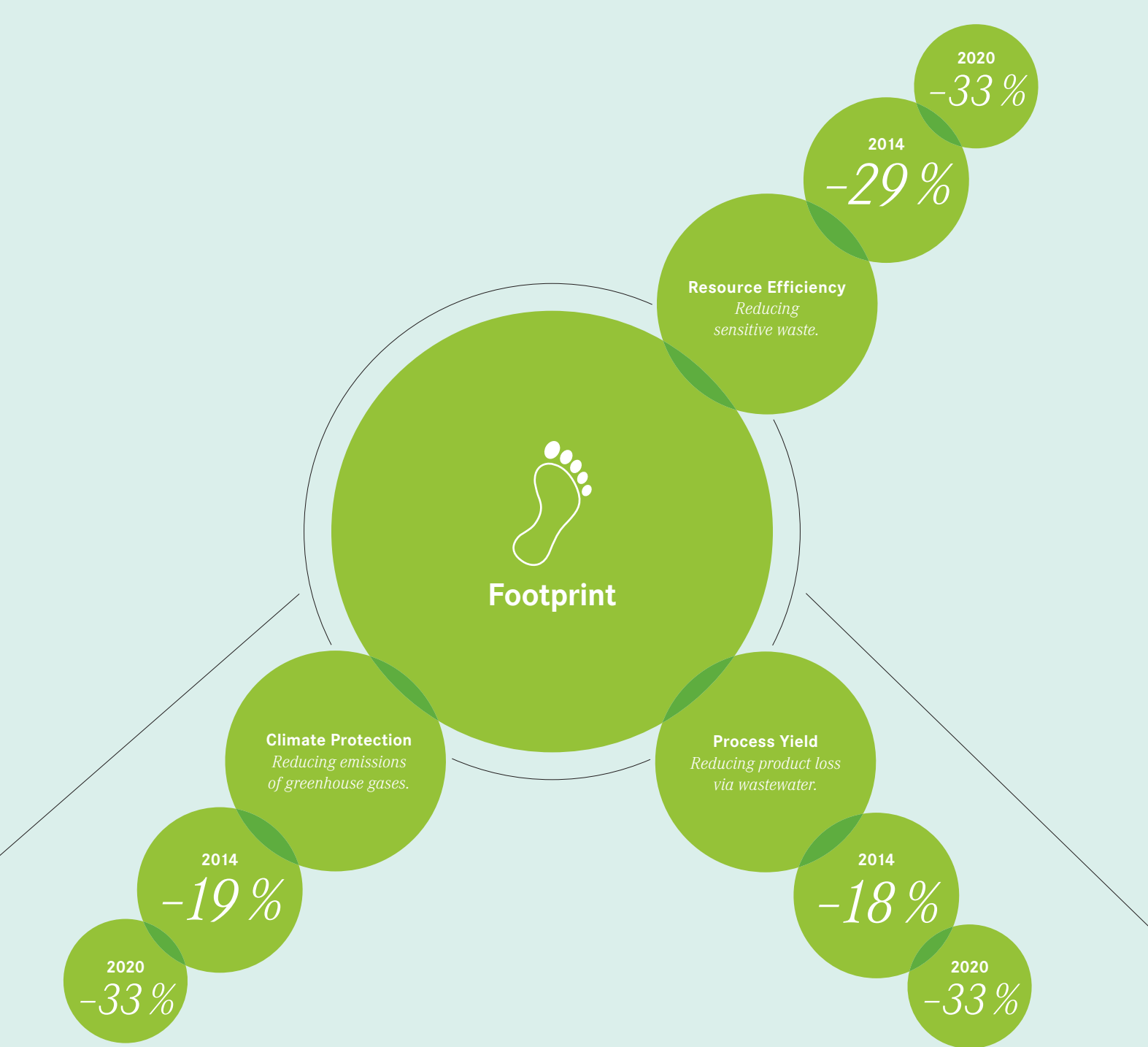
19 – 22 %

Annual EBITDA margin

> 50 %

*Share of sales in emerging
markets by 2020*





Our basis is the year 2010. The figures represent the cumulative reduction over the years normalized by value added (without Diana).



Sourcing

Sustainable Sourcing

2014

70 %

of our main suppliers are measured by sustainability criteria.

2020

100 %

of our main suppliers will be measured by sustainability criteria.

> 25

2020

33

2014

Innovative Strength

The number of patents we submit.



Innovation

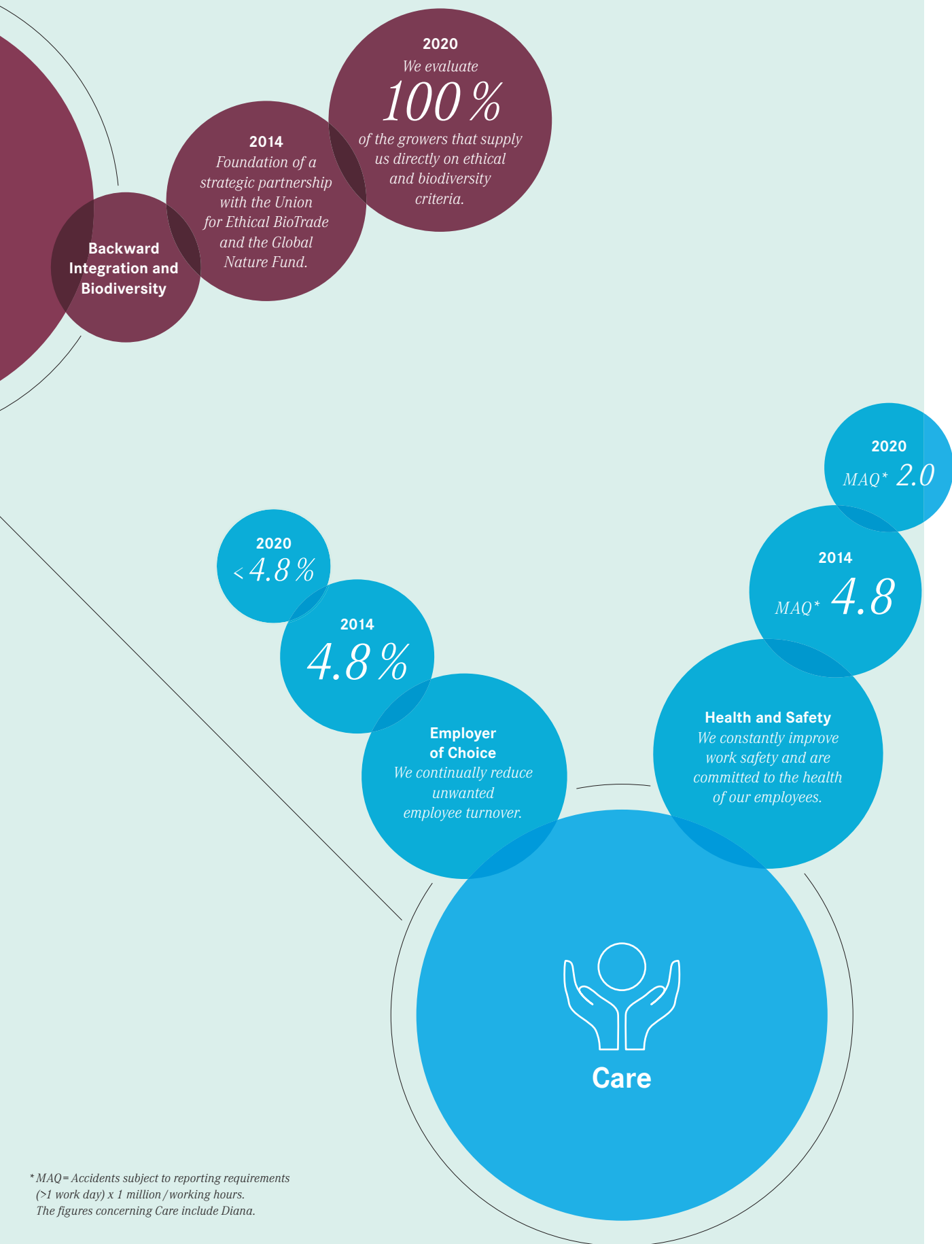
Responsible Innovation

2014

Strategic partnership with the Union for Ethical BioTrade and the Global Nature Fund.

2020

We integrate aspects of biodiversity into our R&D activities as well as our procurement policy and train relevant stakeholders along the value chain.



* MAQ= Accidents subject to reporting requirements (>1 work day) x 1 million / working hours.
The figures concerning Care include Diana.

Growing through Diversity

Symrise offers a variety of innovative products that are developed using increasingly sustainable processes. They are custom-tailored and enjoy great success on the market. In addition to its decades of experience, the company has a special source of power that it draws from to accomplish this feat: its values. These guide our close co-operations with internal and external partners and help us maintain a harmonious balance between man and nature.

21 – 28

Integrate to Move Forward *A new vanilla fermentation plant and an extraction facility were opened in Madagascar in 2014. Symrise continues to invest in the value chain in a way that benefits all stakeholders.*

29 – 34

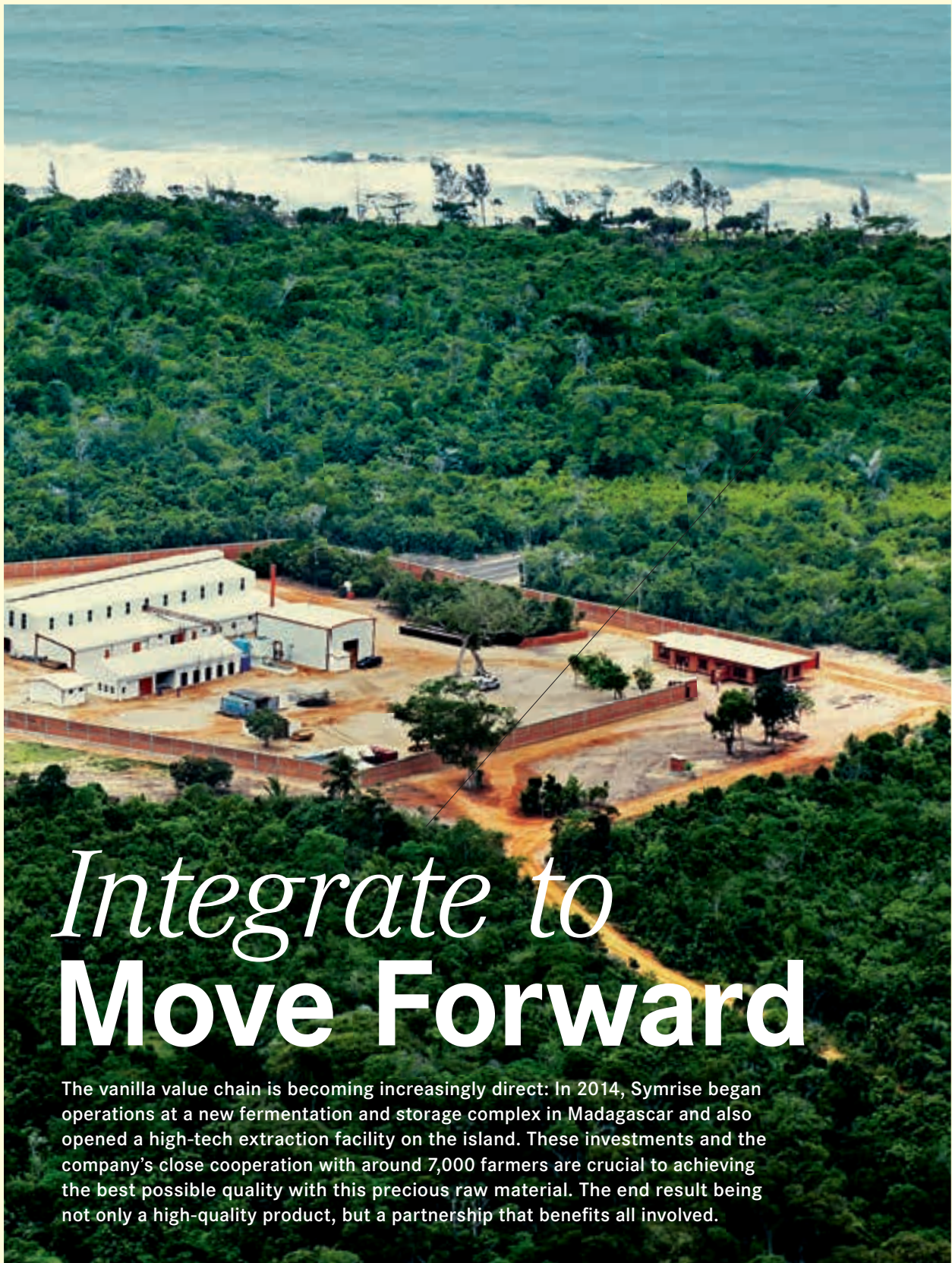
Mastering Efficiency *Consuming less energy and simultaneously becoming more economical: Symrise is committed to sustainability across all divisions, which benefits the company, the environment, our customers and, last but not least, the quality of our products.*

35 – 40

Inspired by Nature *Symrise has built a new production site in Brazil. Innovative products from exciting natural materials will be manufactured here in close cooperation with, and to the benefit of, the local population in the north of the Amazon region.*

41 – 50

People in Focus *Across the globe, Symrise depends on the know-how of its employees. It ensures that the workforce is well-trained and motivated with a wide range of forward-thinking projects.*



Integrate to **Move Forward**

The vanilla value chain is becoming increasingly direct: In 2014, Symrise began operations at a new fermentation and storage complex in Madagascar and also opened a high-tech extraction facility on the island. These investments and the company's close cooperation with around 7,000 farmers are crucial to achieving the best possible quality with this precious raw material. The end result being not only a high-quality product, but a partnership that benefits all involved.



01

01_

The new factory was opened with a festive ceremony.

02_

The new Symrise extraction facility is a stone's throw from the Indian Ocean.



02

In the one direction, a five-minute walk down a sandy path will take you to the Indian Ocean. Just a few meters in the other direction will bring you to Highway 5a, which runs along Madagascar's East Coast. And in between, in the midst of a sea of lush green flora, is the only significant industrial production facility in the region: Symrise's new extraction plant. It was opened by the Madagascan Minister of Industry, the German Ambassador to the island nation and Symrise CEO Dr. Heinz-Jürgen Bertram in an official ceremony in October 2014. Along with the Symrise team, the residents of Benavony also participated in the festivities. This small village lies near the facility, which is used by Symrise to produce its high-quality vanilla extracts from the coveted beans. Together with the fermentation and storage facility 60 km away in Antalaha,

this new facility which replaces a smaller site marks another important milestone in the company's backward integration of vanilla. As a result, Symrise is involved in every stage of value creation – from the field to finished extract.

"We started eight years ago by purchasing the vanilla directly on-site. Today, we work with nearly 7,000 farmers in roughly 90 villages," says Alain Bourdon. The idea behind the shift was simple: Purchasing high-quality, sustainable vanilla gives the company greater independence from the volatile raw materials market. The 45-year-old agronomist, however, notes another important aspect: "As part of this cooperation with the farmers, we are also working to improve their living conditions. When you include their families, we have a direct impact on more

than 34,000 people.” These people benefit from Symrise’s approach and local value creation. Support for the farmers takes on many forms, including interest-free rice credits during economically challenging periods, the introduction of a health insurance program as well as agricultural diversification programs that aim to cushion the blow of potential poor harvests. Alongside of these are comprehensive educational and training offers, environmental initiatives and support with gaining certification from the Rainforest Alliance, among others.



03_
The vanilla blossoms are pollinated by hand.

04_
Symrise sources the coveted vanilla beans directly from approximately 7,000 small-scale farmers.

05_
With far-reaching initiatives, Symrise contributes to improving the living conditions of the farmers. This includes support in the areas of health, nutrition and education as well as training in sustainable agriculture.

But let's get back to those two new facilities for a moment. The local Symrise team designed and built the extraction facilities in collaboration with specialists from our headquarters in Holzminden and some regional companies. "We built this plant according to European standards. Now we can produce first-class vanilla extracts here, custom-tailored to the needs of our customers around the world," explains Alain Bourdon.

The process has become second-nature to those involved: Upon delivery, the fermented beans are initially checked for quality. Nicolas Rasolomampionona oversees this process, which involves measuring the vanillin content, among other things. "It is a composition of hundreds of different substances that gives the vanilla bean its characteristic flavor and aroma," the laboratory technician explains. In the next step, the vanilla is chopped up and, depending on the customer's specifications and the target country's regulations, mixed with water and a solvent (usually alcohol) at a precisely defined ratio. The aromatic substances are drawn out of the bean and into the alcohol over the course of several cycles through the extractors. After filtering (as well as distillation for the stronger concentrations), the product is finished and is shipped to Germany.

The process sounds simple, but construction of the plant lasted one and a half years and lots of planning. 90% of the materials were shipped in from outside the country. The right location for the site was also very carefully selected. But all of this thoroughness paid off. "We are conveniently located at the heart of the vanilla region and have enough space for future expansion with around 36 ha of land," says Alain Bourdon. In the future, raw materials like vetiver, an important and popular fragrance for manufacturing perfumes, or ginger are also to be extracted here in addition to vanilla.

These extraction processes require a lot of energy, but the region does not have a power plant or overhead power lines. This means that Symrise has to be self-sufficient. The hot steam needed for this process is generated, for example, in a custom-made wood-fired boiler. Perhaps even more impressive is the fact that its fuel is grown specifically for the company in the surrounding region. Symrise founded tree nurseries for the cultivation of fast-growing tree species. Employees distribute the seedlings to village communities and towns as well as individual farmers. These then plant the trees, harvest the branches and sell the wood to Symrise. Along with the jobs provided by the plant, this project supplies many locals with an additional source of income.

The fermentation plant in Antalaha, housed in spacious white-washed buildings, is almost as new as the extraction facilities. Wooden frames lie in the courtyard; the mesh inside them holding countless dark black vanilla beans as they dry in the sun. Mananjara sits in front of a gate, nearly motionless in his chair. Suddenly, the older man with the close-cropped white hair stirs and says a few words. At his command, 20 men and women run out to the frames and move the precious cargo indoors. Barely five minutes later, it starts to rain. The courtyard in front of the building is soon covered in water.

The "weatherman" has done it again. Mananjara observes the climate conditions in Antalaha. "He plays a very important role," says Clement Cabrol, who leads the fermentation and storage complex. "In order to make a good product, we have to perfectly coordinate every phase of the process." The 35-year-old's team has a wealth of experience in the vanilla business. It's a good thing, too, as the fermentation process requires exact know-how.

This starts with the careful selection of ripe, green vanilla, which the farmers have planted, pollinated, cultivated and harvested. Next, the beans are sorted according to ripeness and size, then blanched in large boilers run at finely tuned temperatures. The heat breaks up the cell structures in the vanilla beans and induces an enzymatic reaction. This reaction splits open the glucovanillin to produce vanillin. The warm vanilla is then placed into large wooden crates covered with cotton blankets to make them sweat. The moist, warm environment causes the beans to take on their brown color. To bring out the vanilla's characteristic fragrance and flavor, the beans are placed outdoors to dry in the sun. Symrise experts closely monitor the vanilla during this process. Finally, the beans are moved indoors for storage.

Quality control follows every step of this months-long process, with every bean being handled countless times to check its moisture and elasticity and therefore ripeness, explains Clement Cabrol. Dozens of women sit at long wooden tables in two halls sorting the vanilla and tying them into 250-gram bundles. One of the ladies wearing the dark blue coat with Symrise logo is Soazery Sina Olivette. She turns the beans carefully in her hands, laying them in small stacks that seem identical at first glance. "I send every bean that doesn't meet our specifications back to my colleagues." This helps ensure a constant high level of quality in the subsequent extraction process. "We have managed to continuously refine the process over the past few years," says Clement Cabrol, as he examines one of the bundles before it is sealed. "In doing so, we create the best possible product for our customers."



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Freshly harvested green vanilla beans arrive in Antalaha.

07_
The green vanilla beans are blanched in hot water.
This triggers an enzymatic reaction and the fermentation
process begins.

08_
The vanilla beans, which have now turned brown, are
continually laid out to dry in the sun over a number of weeks.

09_
Mananjara is the "weatherman." His job is to find the
ideal time for the vanilla to ferment in the sun.

10_
The employees sit at long tables and sort the beans by quality.

11_
Clement Cabrol manages the fermentation.
He also continually checks the quality of the
product himself.

Madagascar: More than Vanilla



01



02

Alexandra Carlin carefully takes the bundle of vetiver from the farmer's outstretched hand. She runs her fingers over the slightly dried sweet grass and holds it under her nose. After a short cautious whiff, she inhales deeply. "That's very intense," says the 34-year-old, who works on Fine Fragrances for Symrise in Paris. "I like to use it in unusually big quantities for women's perfumes to bring elegance and enhance personality."

Alexandra Carlin is one of four Symrise perfumers from two locations that gathered inspiration in Madagascar for two weeks in the fall of 2014. They all were participants in a Scent Expedition, which the company had organized for its creative staff. Other groups had previously traveled to India, China, Tasmania and Oman. The purpose of these trips is to familiarize the fragrance experts with various regions around the globe, engaging all five senses. The concept is comprehensive. Visits to farms are on the agenda as are factory tours, such as the Symrise extraction plant in Madagascar. The colleagues also get to know the variety of local fruits, vegetables, flowers and other plants during their visits to markets and restaurants as well as in discussions with farmers and producers.



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01_

Perfumer Alexandra Carlin takes a scrutinizing look at the vetiver harvest.

02_

A Lantana Flower that represents the biodiversity in Madagascar.

03_

The Symrise experts noted the particularities of the flora - for example a Champaka Flower - directly on site.

04_

Every interesting-looking plant was carefully examined by sight and especially by scent.

05_

The bark of the trees also contains a wealth of possibilities for aroma components.

06_

The participants took their first samples using the mini labs.

"We were overwhelmed with the number of species on the island," says Pierre Kurzenne. "Just as impressive was the hard work that the farmers put into cultivating and harvesting," adds the Senior Perfumer, who also works in Paris. Watching the farmers working hard together to dig up the deep roots of the vetiver plants made it clear to the 52-years-old Frenchman how much effort goes into producing this raw material.

But the sweet grass was not the only product on the island that inspired the group. The men and women were also shown how vanilla, the island's main agricultural product, is cultivated and processed in Symrise's own facilities. They talked with the employees there and toured cocoa, clove, ravintsara, cinnamon and ylang ylang plantations. A special highlight was the five-day trip in Marojeje National Park, where the perfumers climbed to an altitude of 2,100 m. The fragrance specialists also analyzed the raw materials directly on site with mini laboratories and collected samples to later test their findings more comprehensively back home. "It was really tough," explains Pierre Kurzenne. "But the experience was absolutely worth it. The climb to the summit was a little bit like the work of a perfumer: You can't be satisfied too quickly or give up if you want to achieve the best possible results."

Achieving More Together

STRATEGIC ALLIANCE OF UNILEVER, GIZ AND SYMRIS

Together with its customer Unilever and the German Society for International Cooperation (GIZ), Symrise has formed a development partnership with an ambitious goal: educational projects that work from a number of levels in order to improve living conditions while also securing vanilla supplies for the future. This large-scale project, which was launched in January 2014, is focused on the SAVA region, where the majority of the vanilla farmers in Madagascar lives and works. The initiative aims specifically to sustainably increase the level of education of 4,000 farmers and their families. In all, the project will reach approximately 24,000 people in 36 communities.

The program is tailored for the vanilla farmers. In “Farmer Field Schools” and on 36 demonstration fields, the initiative shows how farmers can improve their harvest yields, gain additional sources of income and also protect the environment. After all, a worrying large amount of the land is in danger: slash-and-burn and rice cultivation have caused erosion and leached the soil of minerals, especially on hillsides. The farmers learn how the soil can be remineralized by planting a fine-tuned mix of acacia, cloves, cocoa, peanuts, pineapples, bananas, and cassava, for example. The farmers also profit from these products because they can sell or eat them.

In addition to the current generation of farmers, the program is also geared towards adolescents. Far more than two-thirds of young people go into agriculture with the family after elementary school. Knowledge has not been passed down in more depth until now. In order to change this, Symrise, Unilever and GIZ are supporting three “Maisons Familiales Rurales.” This form of agricultural school already exists in 30 countries around the world. It is based on a simple concept: Young people between 17 and 25 years of age gain theoretical knowledge in these classes that they can apply in the fields during practical periods.



SAVA region is located in the north-eastern part of the island.

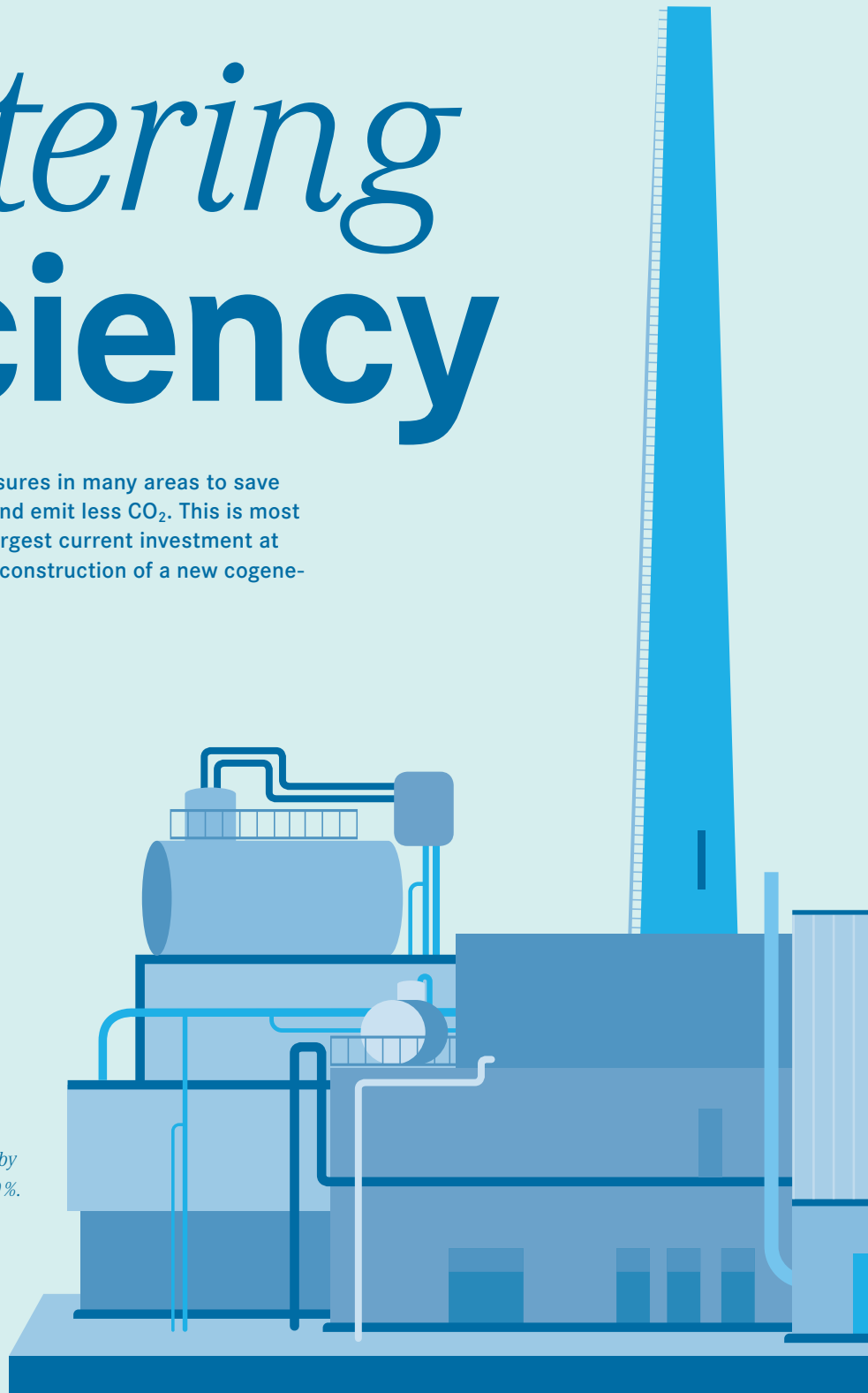
The program is part of our overall commitment in the country, which currently benefits residents in 98 villages.

Mastering Efficiency

Symrise is using technological measures in many areas to save costs, reduce energy consumption and emit less CO₂. This is most clearly reflected in the company's largest current investment at its headquarters in Holzminden: the construction of a new cogeneration plant.

ENVIRONMENTALLY FRIENDLY

The new power plant will cut CO₂ emissions by around 31,000 t per year – a reduction of 40 %.

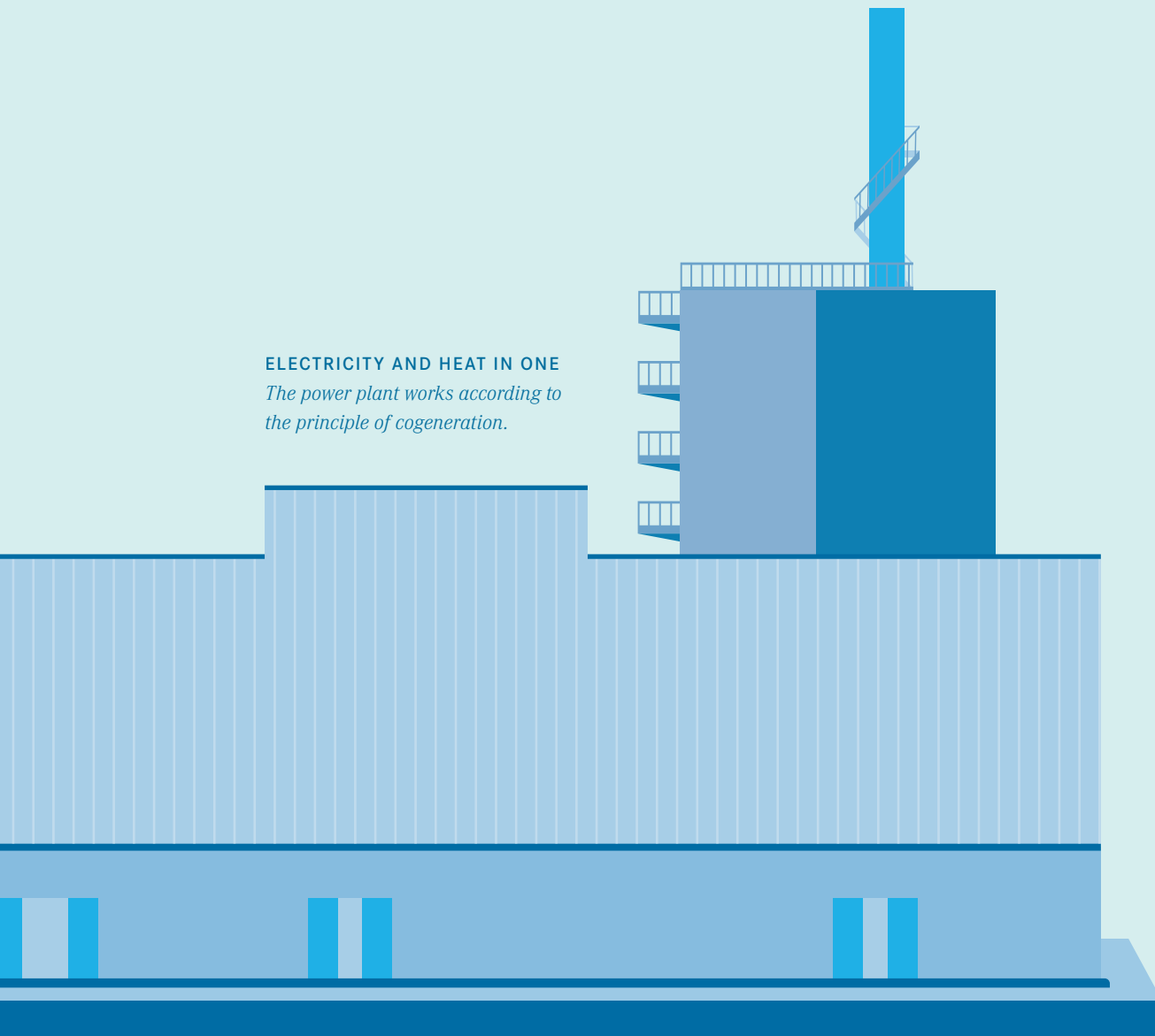


For now, all you see next to the brick building is a road, its path intersected by the shadow of the 105-meter-high chimney. A low hum can be heard outside the power plant where Symrise has been producing steam for its production facilities for almost 70 years. This already efficient plant will function at a much more sustainable level starting in 2016. When that day arrives, a new energy supply system will be located where that factory road heading east is currently located.

Planning for the new power plant began in 2014. It will operate on the principle of cogeneration and generate electricity in addition to steam. “We need about 56,000 kWh to power the factory. Once this plant is up and running, we will be producing two-thirds of that ourselves.” The sophisticated new system will run more energy-efficiently, more cost-effectively and environmentally friendlier in other areas as well.

ELECTRICITY AND HEAT IN ONE

The power plant works according to the principle of cogeneration.





ENERGY-SAVERS

Jens Leßmann (left) and Andreas Pohl are responsible for the Symrise power plant.

“We will reduce our CO₂ emissions by about 31,000 tons per year – a 40% reduction,” says Andreas Pohl. The experienced electrical engineer, who has been with Symrise since 2002 and is now head of the Energy Supply and Infrastructure department at its subsidiary Tesium, is happy to explain how these optimizations are going to be made. But first, a little background information: At the moment, the system consists of three boilers with two burners for each boiler. The main boiler from 1975 produces 27 tons of steam every hour, which is subsequently transported to the production facilities at the Weser plant through kilometers of piping. Two other devices from 1957 and 1982, each the size of a house, are only turned on to meet spikes in demand. Together with the boiler house at the Solling plant, Symrise could theoretically power 5,400 households and thereby supply heat to nearly the entire city of Holzminden. The technology generating all of this heat has been operating for years now. In 2013, the main boiler was taken offline due to damage. The two replacement boilers and a rented boiler system were able to cover the company’s needs for the meantime. “Had we wanted to completely overhaul the system, the costs would have been much higher than simply building a new system – particularly in connection with the benefits of generating our own electricity,” explains Andreas Pohl.

That is why Symrise chose to build a new system with the latest sustainable technology. “We are working with the most environmentally friendly fossil fuel, namely natural gas,” explains Jens Leßmann. “We burn it to power a gas turbine. That turbine generates electricity and heats water into steam with its exhaust.” The project engineer is pleased with the blueprints laid out in front of him. “This design will allow us to achieve an efficiency rate of about 90%, which is an incredibly effective use of the energy provided by the natural gas.”

Replacing technology sounds relatively simple. In reality, however, the opposite is true. Leßmann explains what still needs to be done while standing at the construction site directly next to the old power plant. Following the planning phase, the wastewater plumbing and high voltage power lines that are buried underground will need to be rerouted. Part of an old hall that is no longer in use will be torn down. “Once that is finished, we will build the new power plant, which will be housed in a massive building made with reinforced concrete,” explains Jens Leßmann. The next step is described by the engineer in the most drastic terms: “Open heart surgery. We are implementing this new system while the existing system is still operating. It’s a huge challenge because we cannot interrupt the processes,” says Leßmann. “By the time our annual three-day plant shutdown comes in October 2015, we need to have everything ready to go for connecting the new plant with the various systems.” He grins, as this will require much more planning and labor than he can describe.

It includes, for instance, connecting the water treatment plumbing that Symrise uses to treat the water that is pumped from the Holzmünde and Dürre Holzmünde streams as well as five company-owned wells. The pipes for the steam and, due to the cogeneration capabilities, the lines for the electricity also have to be prepared. In total, there are about 25 connections that Andreas Pohl and his colleagues have to bear in mind. “In addition to all that, the site will then be connected to the natural gas pipeline. We’ve been working with natural gas for a long time in Solling,” explains the Head of Energy Supply. A further advantage of the conversion: The old system required a tanker truck to deliver oil to the factory each day. This new system will reduce traffic substantially. “With the new power plant, we are very well-positioned for the future,” says Andreas Pohl. “The effort is going to pay off in every way.”



“Efficiency Begins in the Lab”

Sylvia Barnekow heads a team of nine that comprises the Food Science & Application Technology department in Research. In our interview, she explains how clever concepts save time and costs while also benefiting mankind and the environment.

Ms. Barnekow, why are you baking mini cakes in your lab?

Because we are testing one of the new products in our SymLife® portfolio – and also taste-testing it. We are using new natural substances in these products; substances that help to reduce sugar, salt, or in the case of these mini cakes, fat. We also want them to have their full flavor.

What is your motivation for this approach?

We want to increase efficiency. And that begins in the lab. That is why we are building on innovative products and processes that work on numerous levels. The mini cakes are an example for how the food industry can reduce the use of fats. Trans fatty acids are considered unhealthy. They are said to contribute to obesity. SymLife® products that reduce the fats in food can also help conserve natural resources. And finally, our customers save money in production because they need to use fewer expensive raw materials like fat.

How is the fat reduced?

With SymLife® Fat, we looked at how fat is perceived in our mouths, which takes place on five levels. In addition to the smell and the overall texture that the mouth perceives, the papillae on the tongue also perceive a sort of microtexture. Research is



Sylvia Barnekow tests the products using all of her senses in the lab.

The mini cakes are made with a SymLife® product that helps optimize the taste of low-fat products.

03_

The SymAger® ages food in a short time span. This allows researchers to study how the food changes over the long term in just a few days.

03



still focusing on evaluating the mechanisms of feeling satiated. Also interesting is how heat is drawn out in the mouth, which is shown by the different ways that the fats, which are often polymorphic, melt. Chilled butter melting, for example, feels very different to eating margarine. All of those things pulled together allow us to create the complete taste of fat. We have already brought products to the market in the Snacks area; it is currently being developed for baked goods and milk products.

Unlike fats, costs are not as relevant with salt. It only costs food manufacturers nine cents a kilogram. Why are you addressing it anyway?

Consumers eat one and a half times more salt than they should. That's bad for their health, according to numerous studies. As a result, the industry is under obligation in countries like England, South Africa, Canada and Australia to significantly reduce the amount of salt in ready-made products.

Why don't the manufacturers just leave out the salt altogether?

It's not that easy. Table salt plays a lot of different roles in the end product. For example, it acts as a preservative in ketchup and stabilizes proteins in bread. And often the product just doesn't taste as good without salt. That is why we have to compensate for the reduction in salt in different ways. We can use similar, corresponding flavors that replicate the natural flavor of the food. Another approach is to adapt the morphological structure of the salt by creating larger crystal surfaces or physically changing it. That way we increase the seasoning effect

in dry applications. In addition, substitutes such as potassium chloride have been used for decades, although they have a bitter aftertaste. We have found solutions that mask this taste.

New products are one way – can you also increase efficiency in the process technology?

We developed the SymAger® for testing purposes. It significantly shortens the aging process in foods. That allows us to simulate storage times of one year in two days, for example.

How does the technology behind that work?

We put the flavor or the food in a temperature-controlled pressure unit and create different gas atmospheres depending on the application, just like they are used in the food industry. Just as in the natural aging process, in this system different reactions are occurring at the same time, such as oxidation, the Maillard reaction or even acetal and ester formations, which change how the sample tastes. If we want to show how long a product with a high amount of unsaturated fatty acids will keep, for example, we can speed up its natural aging. To do that, we create pressure in the air or oxygen atmosphere and can then evaluate the sample later on a sensory and analytic level.

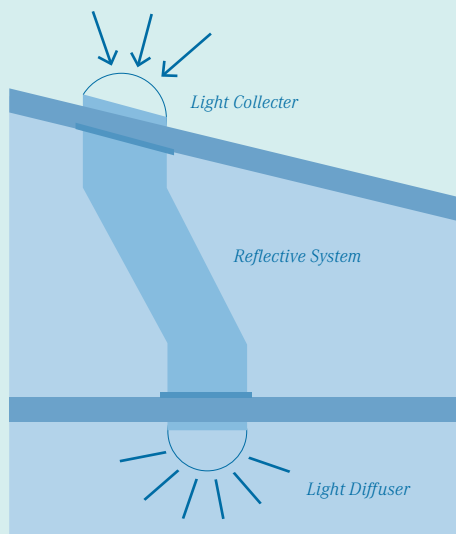
What is the purpose of the SymAger®?

It makes product development a lot faster. We can show that our flavor compositions hold up in the end products even after longer periods of time, whether they remain stable or whether the taste is still the same. That makes developing new flavors and foods a lot more efficient for us and for our customers.

Less Is More

Around the world, Symrise is working on very different projects that share a common goal: Enhancing our business success via sustainable means. An overview of efficiency from India, China, Singapore, the USA, France and Madagascar.

CHENNAI, INDIA: Symrise India employees simultaneously launched five projects on their own initiative that aim to save, recycle and re-use various resources. One of these was an architectural solution that provided energy-efficient and more comfortable lighting to the production rooms. It operates on an innovative concept: Using light collectors, reflectors and diffusers, sunlight illuminates the halls without adding heat. Another innovation: Motion detectors control the lights in the offices. This saves 1,166 kWh per annum. Symrise India also saves 100,000 l of water per annum with its conversion to water-less urinals in the restrooms. About 100 kg per annum of empty milk cartons are recycled and 70 kg of plastic lids from barrels are returned to suppliers for re-use.



SHANGHAI, CHINA: A new decanter that separates liquids from solids was installed in production. This reduced water usage from 96 to 83%. Sludge volumes were also reduced from 20 to four t/month. The benefit of this is financial savings of more than € 30,000 per year.



TETERBORO, USA: As part of a broad-based sustainability project, 1,296 solar panels were installed that generate about 20% of the electricity needed by the site. This reduced CO₂ emissions by around 200 t/year. Additionally, water aerators reduce water consumption by approximately 227,000 l/year.



PARIS, FRANCE: Symrise provides support for the French Institute CRIEPPAM, which researches plants that can be used in fragrances, flavors and medicine. The goal of this support is to develop a machine that harvests only the heads of the lavender plant, which provides a greater yield and higher quality oil while also using 30% less energy during distillation.

BENAVONY, MADAGASCAR: The water used in production is sustainably treated at the new extraction facility and flows into a wetland habitat. Following the treatment, it is further cleansed from materials like waxes, fats and oils by flowing through a three-chamber system of reeds, gravel and finally sand. At the same time, it undergoes a natural microbiological process.

SINGAPORE: Previously, the large amounts of condensation generated by powder production were funneled into the sewage system. Starting in 2014, the liquid is now being reused in the cooling towers. This saves us nearly 4 million l/year.

Inspired by **Nature**

With an additional site in Brazil, Symrise is taking new steps to sustainably develop and produce innovative products. This includes a cooperation with the customer Natura Cosmetics at the Ecoparque located in the north of the Amazon region. At the same time, Symrise is supporting the local population with the creation of secure jobs. In this interview, Eder Ramos, Head of Scent & Care Latin America and Global President of the Cosmetic Ingredients division, as well as Executive Board member Achim Daub explain why Symrise is located deep in the tropical rainforest.





BRAZIL NUTS: This nut, which grows on trees ten to 15 meters high, contains selenium. This substance has antioxidant properties. The oil extracted from Brazil nuts prevents skin water loss, helping keep the skin soft and smooth. **Application areas:** Aftershaves, fine soaps, hair conditioners and products to reduce stretch marks.

Mr. Ramos, why is Symrise building a new plant for the research, development and production of sustainable ingredients in the Brazilian state of Pará?

Eder Ramos: There are several good reasons. The Amazon region's unique natural diversity offers us a rich source of raw materials. We have convenient access to the sea from Benevides in the north of the state, where we built the production facilities. This allows us to reach the markets in Europe, the Caribbean and the United States from here by sea. Additionally, 7.5 million inhabitants live in the state, which means we can find skilled workers from various industries. Last but not least, sales in body and beauty care products in Latin America are an important argument: In 2013, its market volume totaled USD 78.9 billion. This market is expected to grow 7.2% annually by 2017. That is why it makes sense to invest here.

You are working closely with the Natura Group, which manufactures cosmetics using sustainable methods. What are the objectives of one of your largest customers in Brazil?

Eder Ramos: Companies from various market segments are settling in the Ecoparque in order to share resources and work together on developing innovations. We also want to provide new sources of income for the locals. Similarly, we will also work with local universities on scientific studies, which will identify new ingredients for later use.

Mr. Daub, what effect does this type of close partnership with a customer have on Symrise's other activities in Scent & Care?

Achim Daub: In our business, we have to know the markets like the back of our hand. We are also heavily dependent on creativity and innovation. One of the ways we accomplish this is through strategic partnerships with scientific institutions, with suppliers or, as in the case of Natura Cosmetics, with customers. We were particularly intrigued with the Ecoparque, as it allowed us to combine advantages for us with our commitment to bringing sustainability to the local communities. How much of this can be transferred to other projects is yet to be seen. We'll have a better idea once the Ecoparque is up and running in the first quarter of 2015. But we have already learned, or confirmed, that anything is possible at Symrise when it is based on a strong vision and a solid business plan – as is the case with the Ecoparque.





01

01_ In the northern region of Amazonas, in the heart of nature, lies the new Symrise development and production location.

MURUMURU: The butter produced from the fruit of this palm tree is rich in fresh fats and various acids. It moisturizes and makes skin elastic.

Application areas: Shampoo, conditioners, creams and lotions, soaps and lipsticks.

CUPUAÇU: This butter extracted from seeds contains saturated and unsaturated fatty acids and has a low melting point of 30 degrees Celsius – it quickly melts on the skin and is rapidly absorbed.

Application areas: Lipsticks, creamy deodorants, creams, lotions, soaps, bath oils, UV protection products, products for intensive hair treatment.



02

02_ Symrise on site: Eder Ramos (back row, sixth from left), Regional President of the Scent & Care division in Latin America and Global President of the Cosmetic Ingredients division, Ricardo Omori, Vice President Fragrances in Latin America (back row, first from left), and Board Member Achim Daub (back row, eighth from left) discussed the future collaboration with a number of village communities.



03

03_ Achim Daub (right) and Ferdinando Srado (left), Industrial Manager Ecoparque, encompass the new raw materials with all their senses – one of the goals of the tour through the Brazilian rainforest.

Açai: This species of palm tree can grow up to 25 meters in height. Its grape-shaped purple to black fruit is edible. The oil of the pulp contains a high concentration of the anti-oxidant anthocyanin, which helps slow the aging process for skin, along with essential fatty acids.

Application areas: Anti-aging creams, UV protection products, lotions, facial creams, shampoos, hair conditioners.



Symrise just opened the new Center of Excellence in 2012 near São Paulo. Why is there such a strong focus on Brazil?

Achim Daub: The country is the third largest market for beauty care products in the world. According to multiple forecasts, it will overtake China by 2017 and thereby trail only the USA in this segment. Brazilians spend 30 % more on beauty products than the average global consumer. This market is already number 1 for perfumes, deodorants and UV protection products.

Let's talk details: What exactly will be produced in the factory?

Eder Ramos: For us, it is important to first ensure that we can sustainably obtain sufficient quantities of the raw materials we need. That works with our approach at the Ecoparque. After that, we will be manufacturing essential oils and essences with our patented SymTrap® technology. We extract oils and butter from the seeds and pulp of the different fruits. We then refine the raw material to remove the colors. With a low-pressure distillation process, we then eliminate unpleasant smells.

What do you do with these new raw materials?

Eder Ramos: We can replicate every process step on a much smaller scale in the laboratory and later transfer these to a pilot plant, where we will produce larger quantities for the first time. This allows us to constantly test our research results and assess their marketability.



Symrise already performs intensive research in Scent & Care. What are the reasons for continuously expanding this research?

Achim Daub: Our business is driven by innovation and creativity. Every day, we have the opportunity and obligation to improve the lives of consumers with higher quality products that are sustainably manufactured in order to meet the challenges of climate change and the increasing scarcity of certain raw materials.

What can you learn from Brazil that you can apply to other markets?

Achim Daub: We will learn even more on how we can develop innovative products in a very special region with unique biodiversity. Through our partnership with Natura, we will learn what foundational elements are needed for such cooperations. These insights will be used around the world in other projects where sustainability and economic success are combined.

You are not just building a factory, but also working closely with the locals. What does this look like?

Achim Daub: We promote the economic and social development of villages and support more than 2,000 families in the region by working with them on the cultivation and harvest of the raw materials. We would like to benefit from the centuries-old knowledge of the indigenous people while adhering to the clear rules defined in the Convention on Biological Diversity. This agreement protects a region's natural resources against exploitation from third parties and emphasizes that local inhabitants receive fair compensation.

The site is not limited to the research and manufacture of sustainable ingredients, but will also entail sustainable production processes. What are the particular features of the factory?

Eder Ramos: In short, we will operate as environmentally friendly as possible at every level. For instance, we use electric cars and bicycles in the factory. The air conditioning runs on geothermal energy, meaning that we cool the building with the lower temperatures found below the ground. We use botanical-mineral filters to purify wastewater and rain water for production. The natural ventilation and lighting creates a healthy and creative working atmosphere.

BURITI: The plant is rich in fatty oils and vitamins. The fruit also has a high proportion of beta-carotenes. This helps improve the elasticity of the skin and prevent dryness.

Application areas: Creams, lotions, soaps, bath oils, UV protection products.

ANDIROBA: The oil from the seed contains limonoids and terpenes. It has fungicidal and bactericidal effects. It also has a regenerating effect on skin, making it soft and silky.

Application areas: Massage oils, shampoos, soaps, moisturizers and lotions, anti-cellulite products.



04_Açaí

05_Buriti

06_Andiroba

06

For All Situations: Innovative Products and Processes

Onion@Symrise

In a current study, Symrise is further developing its backward integration model for a key raw material – the onion: The yield of onion juice concentrate could be increased sustainably while reducing side streams and wastes. Symrise started a research project for onion variety selection and in field quality control which is supported by the state of Lower Saxony.

Tiramisone®

– the new renewable impact molecule, complying with the green chemistry principles. This new captive adds volume to fruity-floral fragrances, as well as edible, addictive facets to gourmand fragrances.

SymTio™S

The specially coated SymTio™S protects the skin from the sun. It also reduces the white residue that sunscreen leaves on the skin and makes the skin feel better.

SymVital® AgeRepair

is a sustainable, 100 % pure and natural extract produced from ginger root. The product improves the structure of damaged skin while promoting a healthy shine and even complexion.

A New Generation of Taste Modifying Ingredients

Symrise has developed, patented and launched a new line of taste modifying product solutions that help reduce calories in sweet applications and function using natural plant ingredients. This strengthens Symrise's already excellent position in terms of naturalness and sustainability. The new products complement the successful Symlife® Sweet platform, which is comprised of a variety of sweet flavors, and optimize the applications for use in foods and beverages.

A New Concept for Influencing Feeling Full

In cooperation with the Christian Doppler Laboratory for Bioactive Aroma Compounds at the University of Vienna, Austria, Symrise has identified aromatic substances that help people feel full without compromising flavor. These will be important in combating the growing trend of obesity in our society.

SymCap® K FS

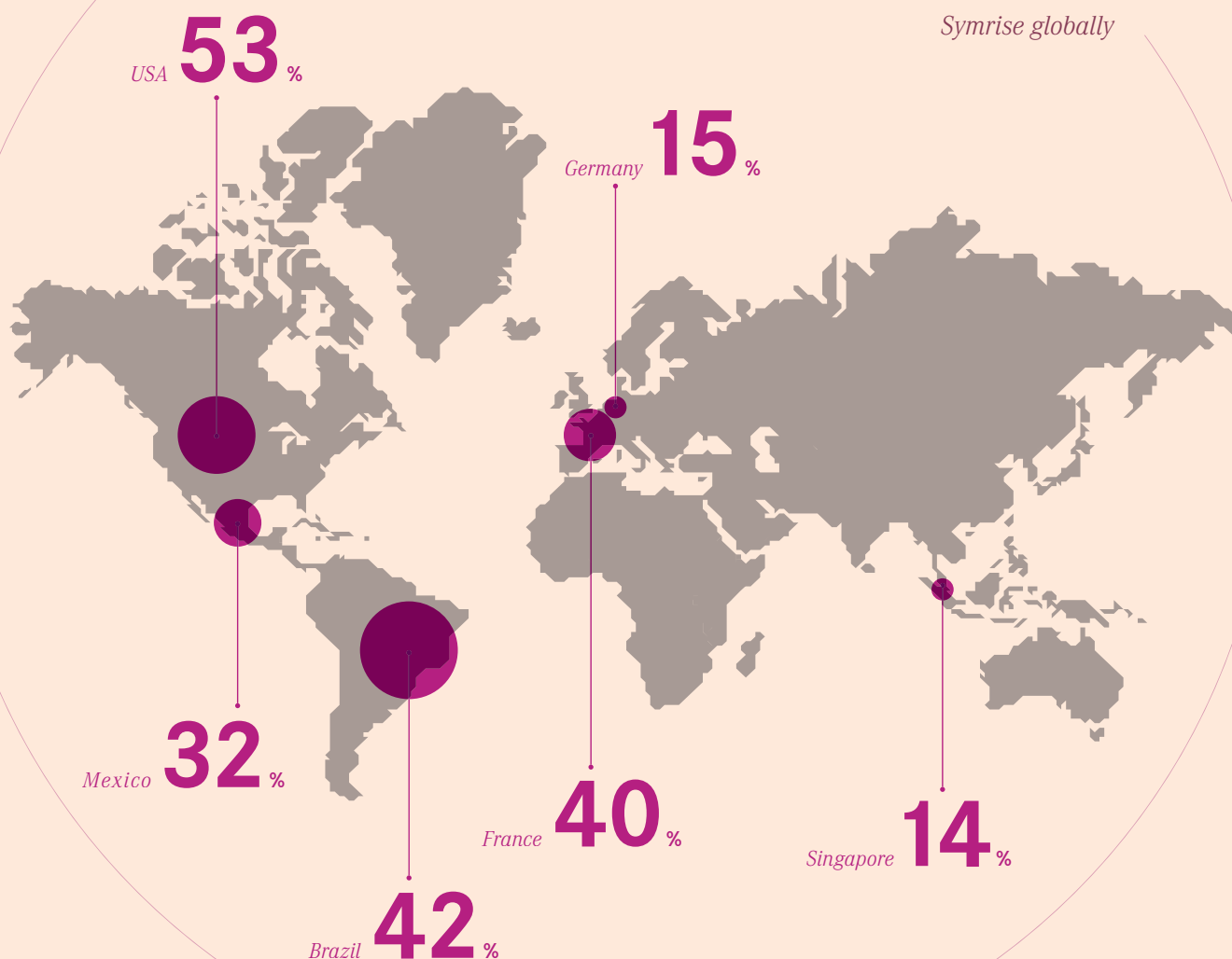
Consumers love long lasting freshness from their favourite clothes. SymCap® K FS is Symrise's next generation encapsulation technology delivering at lower dosage more fragrance impact, longer lasting scent and a larger choice of fragrances.

People in Focus

One of Symrise's greatest strengths is its employees. They are committed, knowledgeable and experienced – and use these traits to bring the company forward. Insights into a diverse world where differences are advantageous, young people become highly specialized flavorists and sustainability is a central component of all of the Group's interests.

WOMEN IN MANAGEMENT POSITIONS *from team manager and up*

41 %
Symrise globally



“With the integration of the Diana Group, Symrise has become an even more diverse company,” states Dr. Iñigo Natzel. “The management structures and central development units are being further decentralized, which will result in a new level of quality for our international working partnerships.” In saying this, the Corporate Vice President, who has been responsible for global human resources the past ten years, highlights a simple truth that has characterized Symrise for a long time. The Group is international – and this was true long before the integration of Diana. “Around 30% of the total workforce is in Germany, 15% is in France and 12% in the US. In addition, we have employees in Brazil, Mexico, China, Ecuador, Singapore, India and Chile.” One site is particularly intriguing for

the trained lawyer with regard to diversity: 20 nationalities are represented among the 580 employees working at our Singapore site.

Even though the majority of employees at the other sites and the headquarters in Holzminden are locals, the company is still very diverse. This is reflected in the various viewpoints discussed in projects or when employees from regional competence centers in other countries are dispatched to provide sustainable know-how transfer. Iñigo Natzel sees this internationality as a key component of the company’s success. It is part of the diversity within the company – be it religion, ethnicity, gender, age, sexual orientation or culture. “When we

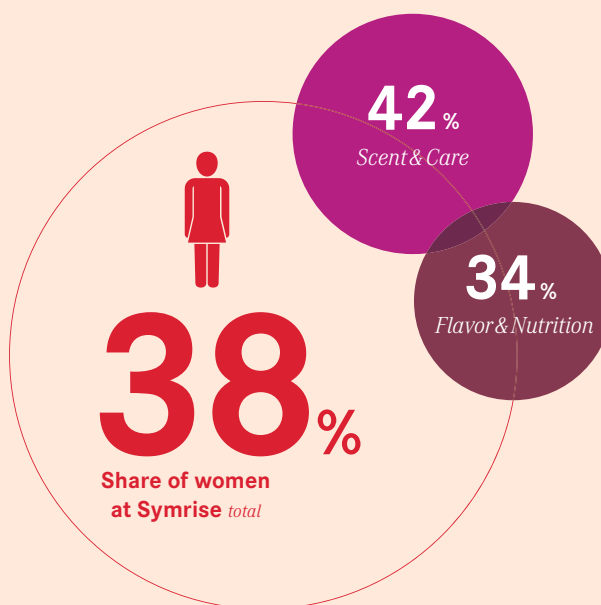


—
Dr. Iñigo Natzel is responsible for global human resources at Symrise. The Corporate Vice President knows well that diversity has a strong influence on the success of the company.

16%

Share of women in the first
three levels of management

Senior Management globally



*“Diversity brings **flavor** to our communication,
delivers **nutrition** to strengthen the team and gener-
ates a **scent** of internationality with which we can
develop a workforce that **cares** for one another and
where everyone has respect for their colleagues.”*

talk about diversity, we mean the diversity in our society – at all of our locations,” says Natzel. “As a company, we need to reflect this both inwardly and outwardly and learn to understand and respect the cultures, attitudes and intricacies.”

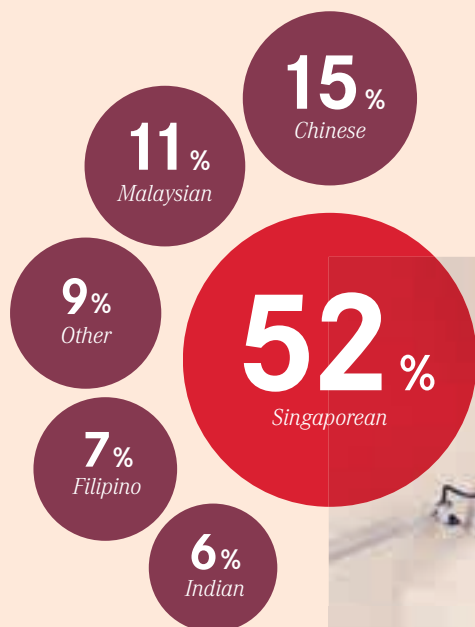
His team collected and closely analyzed the various aspects of diversity in 2014. Heading up this effort was Dina Abastillas, who is responsible for Human Resources issues in the Asia/Pacific region. She sees a competitive advantage in diversity, and provides a humorous description of this phenomenon using the segments as an example: “Diversity brings *flavor* to our communication, delivers *nutrition* to strengthen the team and generates a *scent* of internationality with which we can develop a workforce that *cares* for one another and where everyone has respect for their colleagues.”

Another important aspect for the HR expert is the advancement of women. “It goes without saying that we treat male and female employees equally at every level of the company – and this includes supporting women along their chosen career paths. We can’t afford to, and nor do we want to, miss out on the potential of well-qualified women.” Currently, the share of female employees at Symrise globally amounts to 38 %. This puts the company on average with other companies that have a high percentage of production-based positions. A closer look uncovers some interesting details. In Singapore, for instance, 37 % of the workforce is female; in the US it is 40 % and in France it is 43 %. In Germany, though, it is currently only 33 %. “We want to increase and equalize these figures across the board without losing sight of the regional differences,” says Dina Abastillas.

The plants in Germany have a strong production focus and operate around the clock. Traditionally, women are less likely to work in shifts, explains Iñigo Natzel. With company daycare centers and flexible working-time models, the company is

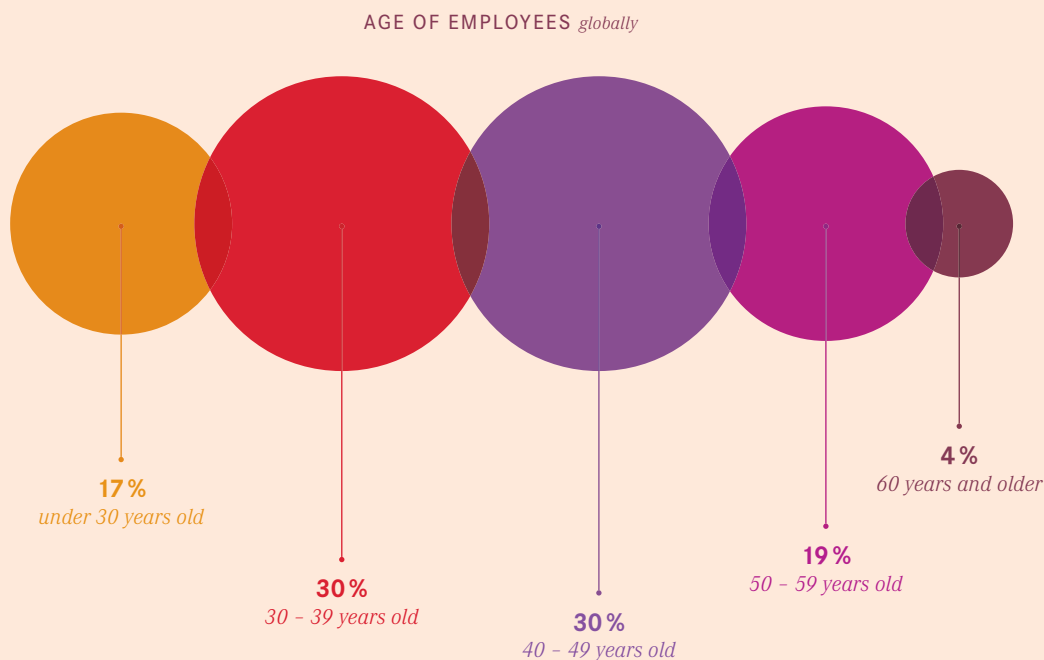
trying to bring some changes to its German sites. “Our goal is to increase the share of women to at least 46 %, which corresponds to the average in Germany,” explains the HR manager. He also places a special emphasis on placing more women in higher management positions in the medium term. “This, too, has vast cultural differences from country to country, particularly when looking at how they deal with the topic of family and career.” From the level of team leader and up, the worldwide share of women in management positions amounts to 41 %. In Germany this figure is only 15 % in contrast to the US (53 %), Brazil (42 %) and France (40 %).

“We have already taken the first steps: By preferring women when all qualifications are equal, we have substantially increased the share of women working in our German research and development departments in the past two years from 40 % to 50 %.” By the year 2020, the share of female managers in Germany should be 20 % thanks to such self-imposed measures.



The approximately **580** Symrise employees working in Singapore represent **20** different nationalities.





The third major issue for the HR department is demographic change. Particularly in developed countries, it represents a huge challenge, says Natzel. “Currently, three quarters of our global workforce is under 50, but this is also due in part to our fast-growing sites in Asia and Brazil.” In Germany, the average employee age is 45, which is still pretty young. But: One third of the employees here are between 40 and 50 years old. “Because we have a very low turnover rate of just 1.2%, this large group of employees will reach retirement almost all at the same time.”

Natzel is therefore responding with a series of measures. First, the company is investing in apprentices and trainees. “We are raising the quota to 5.2% and therefore training a disproportionate amount of young people. This counteracts both the aging process in the overall workforce as well as the growing shortage of qualified personnel.” Symrise is also training and developing staff with no background in the field in order to fill certain positions within production. Lifelong working time accounts should also make for smoother transitions into partial retirement. Finally, the company is working to keep its employees fit with a comprehensive, preventive health management program that includes information about healthy eating and physical fitness. “The company benefits from this too – and the employees stay healthy for longer.”

*The working conditions for severely disabled people vary greatly around the world. Some countries, such as China, are using Western standards as a guide and setting statutory minimum quotas for disabled employees. In China, this is currently set at **1.5 %** of the workforce. If this figure is not met, a compensatory payment must be made.*

*At Symrise Germany, **3.6 %** of employees have a severe disability. The average employment ratio of people with severe disabilities in German companies is currently **4.6 %**. Due to the conditions in production, employment opportunities for people with severe disabilities are limited. To counteract this effect, Symrise also submits orders to workshops for the disabled.*

Where Good Taste Comes From



Since 2012, Symrise has been training young talents at its new Flavor Academy. Seven men and women from all over the world are learning to create new flavor compositions from aromatic substances, essential oils and extracts. But know-how isn't the only thing the Flavor Academy conveys. The international relationships that form here establish a network between top employees that will help them share information and experiences in the future.

Morine Verwohlt lifts a brown vial, dips a thin strip of paper into it and whiffs it carefully. "The oil is very peely-aldehydic. It reminds me of freshly grated orange peel – unlike the one before it, which had a more juicy and fruity smell." She looks at her boss, who is also sniffing a test strip. "You're absolutely right – it's unmistakable," says Gerald Glaubitz and nods approvingly towards Morine Verwohlt and Eric Diaz, who is sitting next to her. "Now try to describe the character of the fragrance even more precisely."

The 24-year-old German and the American, twelve years her senior, are currently evaluating the "Naturally Citrus" collection – a portfolio of Symrise citrus flavors with intense, authentic impressions. The two young people are training at the Flavor Academy that opened in 2012. Together with their

supervisor Gerald Glaubitz, they sit in a newly furnished conference room, which was built at the same time as the two laboratories. The place has symbolic value as it stands for a new approach: Symrise has been training flavorists for as long as the profession has existed, and the company began offering a global, two-year training program in 2006.

The talents come from Symrise sites all over the world. Symrise looks at the needs and growth of the regions when selecting participants. Last year, the seven participants came from Indonesia, Russia, Brazil, Germany, Singapore and the USA. In order to be accepted into the program, they had to pass two sensory tests. The first test centered on their ability to recognize tastes after several hours while the second tested their ability to distinguish flavors according to their sweetness intensities. They also had to undergo a personality test, give an oral presentation and pass a written examination on topics such as chemistry and food science as well as knowledge of the industry.

Those that get accepted into the program undergo training that spans the full spectrum of creating flavors. They also learn about cost calculations, how the flavors they create are later mass-produced, the legal fundamentals regarding international markets as well as how to deal with customers. Finally, there is the “Symrise special knowledge”: The future flavorists learn how products with reduced sugar, fat and salt are made and receive insight into the area of taste modulation, where bitter taste notes or the aftertaste of sweeteners in reduced sugar foods, for instance, are masked.

The employees rotate through stations in every application area, working with powdered, liquid and encapsulated flavors in various applications. They create sweet flavors for candies and beverages as well as meat and vegetable flavors for savory applications – and later sample the results themselves. They also gain more in-depth knowledge of chemistry in cooperation with Dr. Verena Pietzner, Professor of Chemistry Education at the University of Oldenburg.



01_

Gerald Glaubitz (left) tests the citrus portfolio, one of the many elements of the Flavor Academy, together with Eric Diaz.



02_

There actually is accounting for taste during training.



03



03_

Morine Verwohlt recreates the aqueous phase of an orange in the lab.

04_

The young flavorists learn different application techniques such as how candy is manufactured.



Like Morine Verwohlt, who is in her second year at the Flavor Academy. At the moment, she is sitting in front of a scale that has a beaker on it. With a pipette, the chemical laboratory assistant adds drops of raw materials into the beaker: 0.05 g of ethylbutyrate, 0.2 g of linalool and 0.01 g of octanol for instance. Her task: Replicating the aqueous phase of an orange using roughly 20 raw materials. “The condensed water that results when producing a juice concentrate still contains very important aromatic substances. These are later added to the concentrate when it is diluted with water,” explains Gerald Glaubitz. “This is the only way you can achieve the full flavor.”

The first attempt is not quite up to the experienced Senior Flavorist’s standards. “It still isn’t fruity-sweet enough,” he says after comparing the original aqueous phase with the composition. Morine Verwohlt goes back to her desk and keeps working on refining the formula.

“It is very difficult to put together the right compositions,” says Glaubitz. This is understandable when one realizes that Symrise’s standard repertoire consists of 2,500 active raw materials. The young colleagues are tasked with learning 600 of the most popular raw materials during their first three

05_
 Qinyi Phua from Singapore
 developed a goulash
 flavor for her final exam.



months of training. They smell, taste and memorize them like words for a vocabulary quiz. In a second phase, they start making simple flavors made up of five or six components. “This is an immensely important skill that our colleagues have always had to learn. With the Flavor Academy, we now have the great advantage of having the young people together in one place where they can talk and exchange information and ideas with one another,” says Gerald Glaubitz, who has worked for Symrise in Brazil, Shanghai and Singapore.

The time spent at the Flavor Academy is not only more fun this way, it also has positive effects on the future cooperation between the colleagues. The trainees learn to speak the same “language” for describing flavor impressions. That may sound trivial at first, but it becomes more understandable when you look at the wide range of terms and flavors. “With the flavors that primarily contain the group of substances of pyrazine alone, which are responsible for the smell of roasted coffee for example, there are more than 20 different variants. Putting those into words is not easy,” explains the Academy Director. “On top of that, a flavorist should never create and evaluate a flavor themselves – there is too great a danger of developing tunnel vision the longer one works on something.” Exchanging thoughts and communicating with trained colleagues is therefore very important.

The flavorist occupation has always been marked by close cooperation and this trend continues to intensify. Products are becoming increasingly global – and the same flavor should not be developed twice in two different regions. The division of labor must be precise on an international scale. “Good international teamwork is also important because we gain know-how from our colleagues around the world. This allows us to account for typical flavor preferences for specific regions,” explains Eric Diaz, who went back home for a year after spending six months in Holzminden. In his case, “home” is the Symrise plant in Teterboro, New Jersey, where he developed and refined his skills under the guidance of a more experienced colleague.

After some time in the divisions, where he helped support customer projects, the American is back in Germany and was recently promoted to Junior Flavorist. He is finished with his training and successfully completed his final exam. For the exam, he was tasked with composing a natural grapefruit flavor, incorporating it in a food application and developing a presentation for potential customers. “We received very different tasks, which was pretty exciting,” says the father of two, who has been with Symrise for eight years as a laboratory technician. “The program has taken me to another level, as I gained completely new insights into the business.”

The trainees’ relationships, however, aren’t necessarily limited to the classroom and workplace. “All of the trainees from my class attended my wedding,” explains Qinyi Phua, now a Junior Flavorist for Symrise in Singapore. “The group is very tight-knit and that is something special,” says Phua, who studied Food Science and Technology at the University of New South Wales in Sydney.

Qinyi Phua began working at the company immediately after finishing her degree. She had already been an intern there during her studies. Her first job was in quality control. After two years there, she transferred to the “Mint” area, where she worked on oral care products. “I find it fascinating to combine raw materials and find out what happens when they are mixed and how they taste,” she explains. As much as she enjoys experimenting with mint flavors and searching for the right combination, she found her task for the final exam to be a real challenge: “A goulash flavor. I managed to get a great result in the end, though. This, too, is due in part to our support for one another – sampling each other’s work, discussing it, critiquing it. It was really a great experience.”

Implementing a Sustainability Culture

SENSE & CARE WORKSHOPS WITH A LIVELY EXCHANGE OF IDEAS

Moving green chemistry forward, introducing the best environmentally friendly practices along the value chain, integrating the suppliers more closely into the sustainable procurement strategy, exchanging knowledge within teams around the world, identifying and utilizing synergies, initiating sustainable ecoparks like the one in Brazil around the world, developing sustainable ideas and products together with our customers. These are just some of dozens of short- and long-term ideas that the Symrise employees around the world developed in 2014 for working more even sustainably.

The brainstorming session, from which ideas usually quickly turned into concrete projects, was initiated at a workshop attended by roughly 100 managers from the Scent & Care segment. The initiative was organized and managed by Anne Cabotin, Vice President S & C Sustainability Strategy & Sales FRA/OC Southern Europe, who works with a team of sustainability ambassadors from the global Symrise sites. “By the end of 2015, we will have reached 150 colleagues in management positions,” says the experienced manager, who has worked in Paris for the company for 16 years. Experts from across different departments met for intense discussions in Paris, Holzminden and New York. The days always ended with a group talk with representatives from customer companies, NGOs and environmental organizations. “It is strategically important for us to look into very different working areas and learn from each other – and also to be able to cooperate with one another in new ways in the future,” said Anne Cabotin. At the same time, it became clearer for the participants how Symrise as a group and the Scent & Care segment understand the topic of sustainability and how a sustainable development of the business activities can be implemented globally – including a long-term strategy that also incorporates the employees. “We have also internalized that each and every staff member can act in their field – and that we are building a culture of participation for increased sustainability. And our customers and various other stakeholders, who will profit from this just as we will, are aware of this.”



Anne Cabotin, Vice President S & C Sustainability Strategy & Sales FRA/OC Southern Europe, launched this initiative.

150

In 2015, 150 Symrise managers will have participated in the sustainability workshops

Awards

Symrise has been recognized many times for its commitment –
a source of both encouragement and motivation.





A GOOD NEIGHBOR
Symrise was awarded first place
by the Chemical Industry
Association North (VCI) for its various
neighborhood activities.



Symrise was accepted onto the
Ethibel EXCELLENCE Investment Register
and recommended for the Ethibel
PIONEER Register.



PCHi Innovation Awards for two
cosmetic ingredients – SymHair® Force 1631
and SymSave® H.



96 from 100 points
*Symrise qualified with a score of 96
from 100 points for the
CDLI (CDP CLIMATE DISCLOSURE
LEADERSHIP INDEX) DACH.*



**PERFUMERY AND ESSENTIAL CARE
2014 GOLDEN AWARD**
Symrise won the award as best supplier in
perfumery and essencial care and was featured
in sustainability among all categories.



**German Sustainability
Award 2014, Top 3**
*Symrise was recognized for its
exemplary resource efficiency along
the entire value chain.*



Award-Winning Supplier

Unilever honored Symrise for its commitment to “sustainable vanilla” with the “Partner To Win Award” in the Sustainability category.



Green Company

DQS has once again certified Symrise as a “Green Company”. The certification confirms the high transparency and accountability of our internal corporate processes as well as commitment to the highest environmental standards.



Symrise achieved a Corporate Social Responsibility (CSR) rating of 64 %, which placed it in the Gold category.



NATURA QLICAR AWARD PERFUMERY HOUSE 2013 AND 2012

Natura honored Symrise for its performance based on economic, social and environmental pillars.



UN Global Compact

In 2012, Symrise committed itself to internationally recognized principles for sustainable and ethical business practices by signing the United Nations Global Compact.



Symrise is listed on the “Euronext-Vigeo Eurozone 120”.

From the *Sustainability Record*



ALL FIGURES AND OTHER SUSTAINABILITY INFORMATION IN ACCORDANCE
WITH THE GUIDELINES OF THE GLOBAL REPORTING INITIATIVE (GRI) CAN BE
FOUND AT CR2014.SYMRISE.COM/SUSTAINABILITY

Symrise follows a sustainable business model with its “Sharing Values” approach. This is expressed in our corporate strategy as well as our corporate values while playing a decisive role in the design of products and processes. The progressive integration of sustainability and business is also reflected in our combined reporting. For the first time, we have subjected our sustainability information to an external assurance review pursuant to the AA1000 Assurance Standard. The review assesses all quantitative and qualitative sustainability information.

In our sustainability reporting, we follow the G4 guidelines of the Global Reporting Initiative (GRI) “In accordance – Comprehensive.” This means that we are fully accountable on all essential topics. The process and the result of our materiality analysis, our strategic sustainability agenda and our principles are described in the following chapter. All quantitative and qualitative information has been made available at cr2014.symrise.com/sustainability. We also meet the requirements for a Communication on Progress within the framework of the UN Global Compact, the world’s largest voluntary initiative on corporate responsibility.

Standard **AA1000 AS**

All quantitative and qualitative sustainability information has been tested and externally verified in accordance with the internationally recognized standard AA1000 AS. The respective certification can be found at cr2014.symrise.com/sustainability



WE SUPPORT

Our Approach: Sharing Values



Cooperative Ways and Solutions

Symrise helps meet basic human needs for health and nutrition as well as care and well-being with its business activities. The sustainable orientation of our products and processes is simply a matter of course for us and is a quality standard that we pursue constantly. With great innovative strength, our employees fulfill the company's promise of "always inspiring more..." day after day, thus supporting the sustainable development of the company and its social environment. Along the way, we are constantly seeking out approaches and solutions along the entire value chain, from the raw material suppliers to the end consumers, that benefit everyone. We call this approach "Sharing Values."



Consistent Sustainable Growth

Sustainability as a Competitive Advantage

Our corporate strategy is systematically oriented towards sustainable growth. For us, this includes the permanent and robust expansion of our business that considers ecological and social conditions, works towards an increasingly efficient production and maintains a portfolio that helps meet the basic needs of a growing world population. To achieve this, we formulate goals along the entire value chain (see 2020 Goals, p. 14). For instance, we continually promote backward integration in the supply chain in order to ensure the long-term supply of raw materials. The strengthened cooperation with upstream stages of the value chain carries a substantial advantage for Symrise as it results in direct access to raw materials. Particularly with the acquisition of the Diana Group, we once again substantially strengthened our access to sustainably produced, natural raw materials last year (see p. 10). At the same time, producers, consumers and the environment benefit from this approach as well. With our pioneering work, for example with vanilla (see p. 21), we create new synergies between all stakeholders. We are convinced that an expanded view like this, one that goes beyond narrow corporate limits, helps to secure our growth and to increase our efficiency while also enabling us to further develop our innovative and sustainable product portfolio.

Our Sustainability Agenda

We began further refining our sustainability agenda in 2014 to firmly anchor sustainability in all processes within the framework of our integrated corporate strategy. We defined four pillars into which we pool our operational sustainability activities with a view to our core business:

Our Sustainability Agenda



Footprint

Minimize

our environmental footprint along the value chain



Innovation

Maximize

positive social & environmental impacts of our products



Sourcing

Maximize

the sustainability of our supply chain and raw materials



Care

Improve

well-being in our stakeholder communities

Footprint:

We minimize our environmental footprint along the entire value chain. In doing so, we contribute to conserving resources and lowering environmental impact on the one hand while performing active risk management on the other. We also save on costs by increasing efficiency.

Innovation:

We maximize the social and environmental added value of our products. With a constant focus on sustainability criteria in product development, we create resource-conserving and business-enhancing effects not only within our own value chain, but that can also positively influence consumer behavior.

Sourcing:

We develop the sourcing of our raw materials and their supply chains sustainably. The focus is on a long-term, stable supply of high-quality raw materials as much as the greatest possible transparency and oversight of environmental and social impacts.

Care:

We create lasting value for our employees and our local communities. Along with strengthening the infrastructure and sense of community, we gain new talents and increase motivation among our employees.

We have accordingly operationalized the pillars for our various business units in consideration of the different challenges and specific business requirements each unit faces. Both of our segments, Scent & Care and Flavor & Nutrition, have thus each developed their own approaches, tailoring them to the challenges and opportunities unique to their work.

Comprehensive Value System

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

Our Values

Sustainability
Excellence
Creativity
Commitment
Integrity
Added value

Integrated Sustainability Management

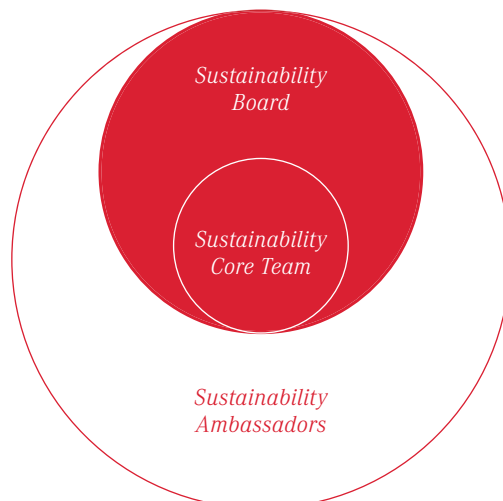
We manage sustainability in corporate processes using our Integrated Management System. It is based on the international standards on quality (ISO 9001), environmental protection (ISO 14001), work safety (OHSAS 18001), sustainability (ISO 26000), energy (ISO 50001), social responsibility (SA 8000), the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

The Symrise **Sustainability Board** is responsible Group-wide for sustainability management. It is a global and cross-segment committee whose task is to integrate sustainability continuously in our core processes and determine the sustainability goals that will be implemented in the divisions (see p. 14). Since 2013, some of these sustainability goals have been integrated into the individual performance targets for all managers. Items such as the reduction of our CO₂ emissions (Scope 1 and 2), the sustainable orientation of our innovation process or the sourcing of raw material from sustainable sources are rewarded. The Sustainability Board comes together several times per year to ensure that sustainability-relevant topics and the concerns of our important stakeholder groups are considered along the entire value chain. Together with the representatives from the Corporate Compliance and Corporate Communications departments, the sustainability officers from the two segments Flavor & Nutrition and Scent & Care comprise the **Sustainability Core Team**, which is responsible for the operational management of the sustainability agenda. The team reports directly to the CEO of Symrise AG every quarter. Additionally, a global network of voluntary **sustainability ambassadors** actively raises awareness for our sustainability agenda: “care teams” contribute to a deeper integration of sustainability into our daily actions by implementing targeted initiatives locally at all of the company’s regional headquarters as well as numerous other international sites. It is our declared goal to have every single employee acting as a sustainability ambassador, aware of their individual role and potential contribution. As part of our workshop “Next Level Sustainability,” 100 participants from all business units developed a common understanding for responsible business operations and their daily implementation in the workplace at Symrise. With this, we further develop our vision of a sustainable future – within Symrise and beyond.



Sustainability objectives are an integral part of individual objectives.

ORGANIZATION OF SUSTAINABILITY MANAGEMENT

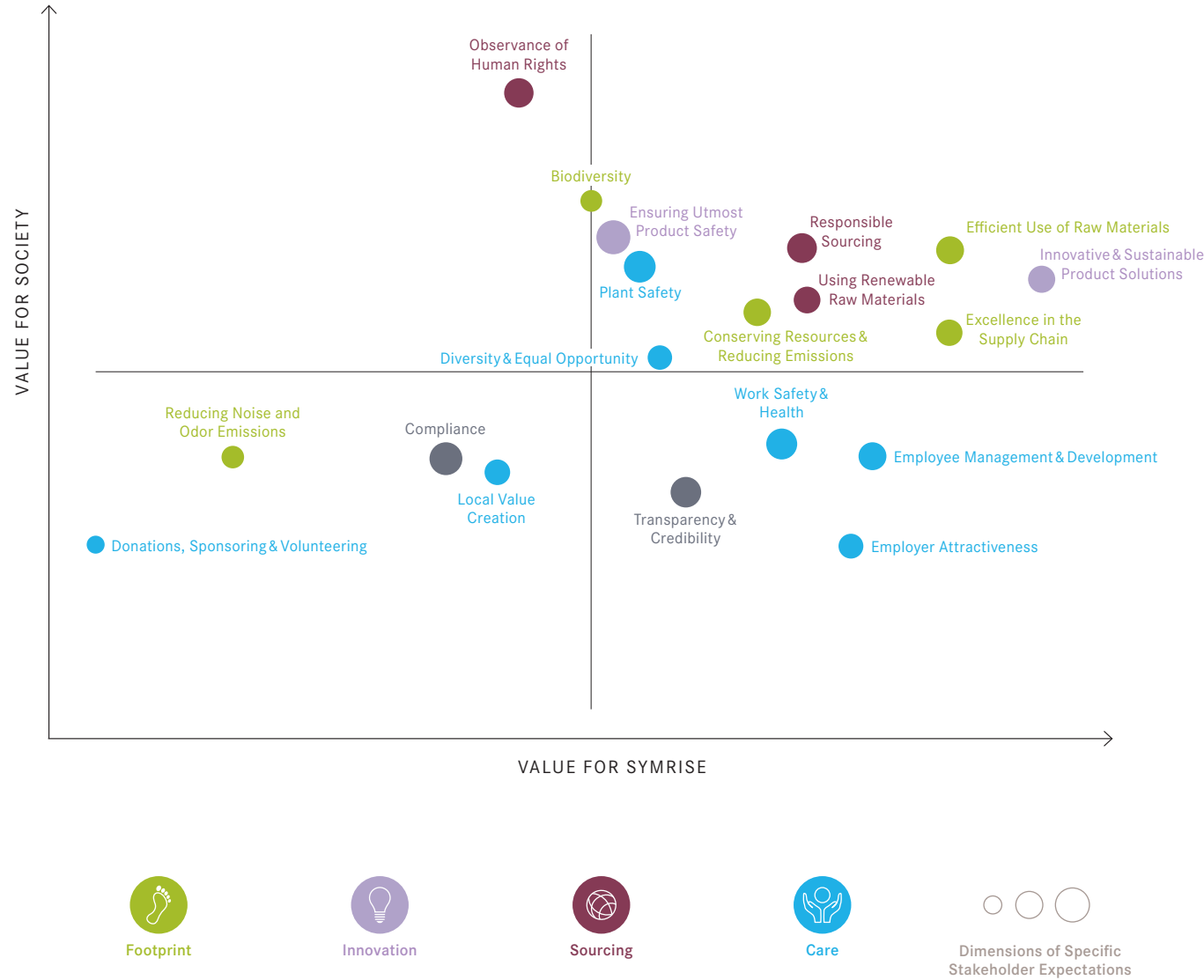


Our Central Topics: **Materiality Analysis**

The Sustainability Board plays a crucial role when it comes to the development and structure of our integrated corporate strategy. In 2014, it led a review of the strategic orientation of our sustainability commitments. Within this framework, our fields of action were revised and compared with new developments and requirements, such as the GRI G4 directive regarding our reporting. Based on our “Sharing Values” approach, we have revised our fields of action, assessed them according to their “value for society” and “value for Symrise” and identified topics with the greatest potential for shared value creation.

At the same time, the priorities of our main stakeholders were recorded as part of our stakeholder management, which is oriented towards the AA1000 Stakeholder Engagement Standard, and compared this with our strategic fields of action. As part of a global online survey, Symrise employees from the divisions and central positions that are in direct contact with our stakeholders identified the respective relevance of the fields of action for the stakeholders. This was supplemented by in-depth interviews with select representatives that evaluated the form and intensity of our stakeholder contacts. The results of the materiality analysis were validated as part of a Sustainability Board meeting where every division was represented and subsequently approved by the Executive Board.

The materiality analysis also serves as a basis for structuring our reporting pursuant to the GRI G4 guidelines: We provide a full record on topics that were viewed as having a higher value for both Symrise and society. On topics that only have a high relevance in one dimension, we disclose at least one indicator. We provide comprehensive, transparent information on our sustainability activities and key figures in our sustainability record. It is available online at cr2014.symrise.com/sustainability.



The concept of “Sharing Values” is a primary guiding principle for our business: We create value for all parties by integrating the interests of our stakeholders at every level of the corporate value chain. Our materiality analysis helps us to identify the topics with the greatest potential for shared value creation. On the following pages, we present our respective approaches and central goals.



*Innovative & Sustainable
Product Solutions*



*Efficient Use of
Raw Materials*



*Using Renewable
Raw Materials*

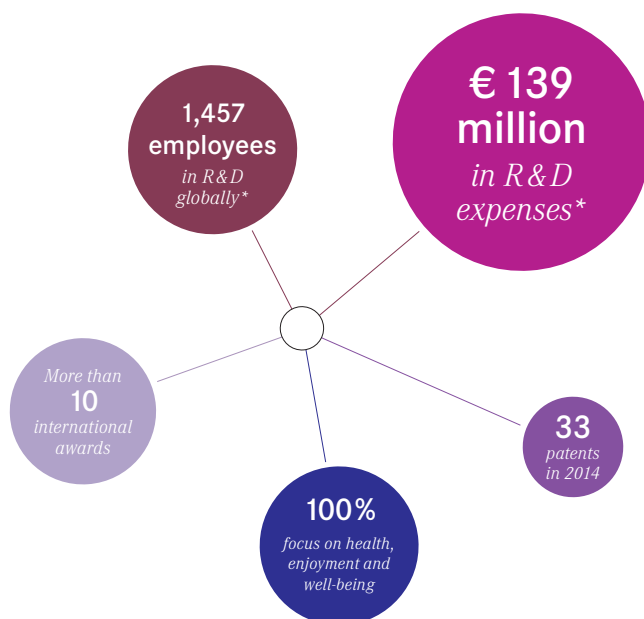
Goal: Leader in Sustainable Products

Every one of the nearly 30,000 different Symrise products is subject to strict sustainability requirements. We develop individual sustainability concepts for every strategic product group – a standard that stands out in our industry. We concentrate our research and development activities particularly on the creation of products that contribute to satisfying basic human needs. We want to continually increase the share of products that make a contribution to health and well-being. Here the focus is on green chemistry, natural raw materials and resource-efficient production processes along with innovative technologies. Our goal is to replace petroleum-based materials as far as possible with renewable materials, for example via blue or white biotechnology. For raw materials where this is not possible, we are working on methods for minimizing the share of petroleum derivatives.

Diana is also making a sustainable contribution with innovative products: For instance with functional hydrolysates, which reduce the need for fish food in aquacultures by up to three-quarters. This helps in the fight against over-fishing.

Natural raw materials already account for more than half of our portfolio and their share is constantly increasing. A complete conversion to natural raw materials, however, would result in complex social and environmental effects in many cases: A greater use of natural raw materials often leads to increased competition for land used for food production and can endanger the preservation of biodiversity due to the development of monocultures. Synthetic raw materials also often take less energy to manufacture than the energy required to cultivate, harvest and transport natural ones.

It is therefore not our objective to switch entirely to naturally occurring raw materials. Our focus is more on further reducing our dependence on finite raw materials. We have therefore made the identification of alternative means of generating raw materials the focal point of our research. We strive to find the most sustainable solution for each product while considering its entire life cycle. Throughout this, we take a strict open innovation approach and depend on our close cooperations with non-governmental organizations, research institutions and business partners.



* including Diana

Highest Product Standards

Our product safety policies and good manufacturing practice (GMP), meaning compliance with clear global guidelines on quality assurance of production processes and the production environment, is the basis of responsible behavior with products and manufacturing processes. Depending on the product group, Symrise orients itself towards various legal requirements and standards:



FLAVORS:

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 2014, 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 segment certified to GFSI-recognized standards.

PHARMACEUTICAL AGENTS AND ADDITIVES:

At Symrise, active pharmaceutical ingredients (API) that are produced for pharmaceutical end products comply with the good manufacturing practice (GMP) rules of the applicable law on pharmaceuticals. Pharmaceutical additives are materials that are used in pharmaceutical end products but do not have an active effect. 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. Symrise's Scent & Care product safety policy is an essential part of the Integrated Management System. In addition, Symrise conducts risk analyses and works with an HACCP (Hazard Analysis and Critical Control Points) system.



Responsible Sourcing

We use approximately 10,000 natural and synthetic raw materials from over 100 countries to manufacture our products. We meet the differing expectations of our stakeholders and the large number of practical challenges with our **Responsible Sourcing Model**, which focuses on increasing backward integration in our value chain processes among others. The goal of this model is to secure our supplies of raw materials for the long-term by focusing on a continuous, close cooperation with our suppliers, on local social and ecological commitments and on strategic partnerships with our key customers. As part of our successful strategy of backward integration, we also consider the local availability of the raw materials used most frequently at a site when selecting locations for our international production sites. Our vanilla commitment in Madagascar (see p. 21) underscores this, as does the promotion of sustainable development in the French lavender and lavandin oil industry. Another example is the cooperation with carrot farmers in France, with whom Diana has developed particularly long-term crop rotations in order to minimize soil damage.

73 %

of our raw materials are already purchased from nearby suppliers.

100 %

of our main suppliers will be measured by sustainability criteria by 2020.



With this approach, we are not only securing our supply of raw materials but also contributing to local value creation in the respective regions and can guarantee top quality with maximum traceability. During the year under review, we spent 73% of our procurement budget on suppliers based in domestic and bordering regions of our main corporate locations. Our transport-related emissions are also greatly reduced thanks to backward integration. Our shining example for this is the onion, which is one of our key raw materials, used in about 6.2% of all Symrise products. Symrise purchases the vegetable from the surrounding vicinity, making long-term agreements with suppliers while minimizing transport, storage and energy costs.



*The Symrise Onion –
An Example of Efficiency
and Traceability*

Sustainable Supplier Management

Independent of the source, we place a high value on a sustainable, efficient handling of raw materials – internally and by our suppliers. With the help of a systematic management approach, we ensure that suppliers meet our standards: As part of this, new suppliers must provide information on quality, product safety and environmental aspects as well as on their sustainability programs, social responsibility guidelines within their supply chains and compliance with ethical standards. A truthful answer to this supplier acceptance questionnaire is the non-negotiable basis for Symrise entering into a business relationship. Standards such as the safeguarding of basic human rights or the basic principles of the International Labor Organization (ILO) are part of our Group-wide risk management system. As part of this, we carry out systematic risk and performance assessments of all suppliers on the basis of economic, ecological and social aspects.



We carry out audits for suppliers posing an especially notable risk, crucial raw materials or regarding problems that have come to light in the assessment. The focal points of these audits are product safety, quality management, health and safety at work, the environment and social responsibility. If suppliers don't meet our defined standards, we jointly develop and implement improvement measures. If these standards are still not upheld after such attempts, the business relationship is terminated.

SUPPLIER RATING BASED ON SEDEX CRITERIA



The international platform of the Supplier Ethical Data Exchange (SEDEX) is a valuable tool with which we can more easily assess suppliers and deliver our own data to customers. Since 2006, we publish information on working conditions and employee rights, health and safety as well as on environmental and ethical business practices via this platform. Every Symrise production site has been SEDEX registered. Since 2012, we have also invited 250 of our most important suppliers to register with SEDEX and to disclose their data to us. This means that we can evaluate more than 70 % of our purchasing volume on compliance with sustainability criteria. Diana suppliers will be included from 2015.



*Conserving Resources &
Reducing Emissions*



*Excellence in the
Supply Chain*



Plant Safety



Resource-conserving Production

As part of an industry that uses a great deal of energy and resources, investing in technologies and processes that conserve resources is one of the most important measures Symrise can take to sustainably increase the company's value. Our investments are therefore closely linked to process efficiency and the associated long-term cost savings. A good example of this is our construction of a high-efficiency cogeneration plant in Holzminden (see p. 29).

We have set ambitious goals to continually optimize our environmental footprint: Since 2006, we have allowed the independent investor initiative CDP to review our CO₂ emissions. In 2014, Symrise was recognized as a leading company in the energy and raw materials sector of the MDAX® – scoring 96 out of 100 points on the Carbon Disclosure Leadership Index. CDP certified that we factor ecological risks and opportunities into our core business and informs external stakeholders about this in a comprehensive and transparent manner. We have also been recording our indirect emissions according to Scope 3 of the GHG Protocol since 2011. We are currently recording all of our key Scope 3 emissions. With roughly 90%, upstream production of raw materials represents the largest share by far.

A comprehensive analysis of our own processes and their impact on the environment is the most important prerequisite for successful environmental management. Organizationally, this is pooled in our subsidiary **TESIUM**, which focuses on environmental, safety and energy aspects over the entire lifecycle of plants and facilities. Another important tool for this is Total Productive Maintenance (**TPM**): Symrise employees work in 25 cross-hierarchical teams with over 52 TPM coordinators to develop solutions and put them into practice. Since 2007, we have implemented nearly 3,000 improvements and have been able to meet our goal of increasing efficiency each year.

Together with our customers, we have also established an integrated supply chain management system in the form of the **Symchronize™** initiative, which comprises the entire value creation chain from raw materials procurement to the customer's end product. With this, we identify appropriate starting points and potentials for reducing our energy, water and resource consumption as well as our emissions. To achieve utmost resource efficiency, we are also developing our own technologies, such as the patented **SymTrap®** procedure. This procedure allows us to fully extract flavor-active components from the side streams of raw material processing – thereby achieving a maximum and simultaneously energy-saving resource yield.

Around the world, our environmental management is based on the ISO 14001 standard. Over 70% of our sales volume is produced at sites with ISO 14001 certification. The Corporate Compliance unit coordinates our global environmental management. Together with the business divisions involved, it develops guidelines and procedural instructions from the global principles defined by the Executive Board and assesses compliance with legal requirements and obligations.

Biodiversity

The biodiversity of nature makes it an irreplaceable source of natural raw materials and inspiration for new flavors and fragrances as well as for functional and active ingredients. Conserving that biodiversity is therefore in the best interests of our industry. To answer industry-specific questions about the effects of our activities on biodiversity, we participated in a Biodiversity Check performed by the Global Nature Fund in 2011 and 2012. We adopted the necessary actions that were identified and developed a corresponding concept for biodiversity. It is based on three pillars: The sustainable sourcing of natural raw materials, the eco-conscious design of Symrise's sites and raising awareness among employees on conserving biodiversity. Regarding operational implementation, we launched a strategic partnership with the Global Nature Fund (GNF) and the Union for Ethical BioTrade (UEBT) in 2014. The goal here, in addition to enacting measures for an eco-conscious design of our site in Holzminden and a detailed analysis of our supply chains, is in particular to identify concrete business benefits via a comprehensive biodiversity management system.



Diversity

The diversity of our employees enriches Symrise, thanks to the various viewpoints, cultural influences and experiences. For us, diversity is not simply a matter of tolerance. Differing opinions, multi-cultural diversity and various constellations of coexisting are essential sources of inspiration, creativity and ideas. We rely on this diversity and its integration into our structures for sustainable business success. This is the only way we can fulfill our "Sharing Values" approach.



In order to promote this potential, we hold fast to the motto of: equal opportunity for equal qualifications. Our employees should have equal opportunity regardless of their gender, sexual identity, age, nationality, religion or disabilities. The majority of our employees and managers hail from the respective country of Symrise's sites. At the same time, we promote intercultural diversity with targeted personnel development measures. Also among our diversity efforts is having a balanced proportion of women. At the global level, 38 % of Symrise employees (including Diana) are female.

Transparent Reporting

The sustainability record from Symrise revolves around the G4 guidelines that were laid down by the Global Reporting Initiative (GRI) and revised in 2013. Along with the standard general disclosures, it includes various indicators along a variety of generic GRI aspects for reporting on economic, social and environmental issues. The selection of which aspects will be reported on is the responsibility of the respective company in consideration of the basic principles of the GRI in terms of report content and quality. The basis for the focus of our report was the materiality analysis carried out in 2014, where we prioritized our strategic fields for action (see p. 60/61). On topics that were assigned a high priority level, we report fully (GRI option "Comprehensive"); on topics with a less important materiality, we report on at least one indicator (GRI option "Core").

From the
Group Management
Report

and from the
Consolidated
Financial Statements



EXCERPTS FROM THE 2014 GROUP MANAGEMENT REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS
PROVIDE AN OVERVIEW OF THE ECONOMIC DEVELOPMENT AND SITUATION OF THE COMPANY. THE COMPLETE
GROUP MANAGEMENT REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FORM PART OF THE 2014
FINANCIAL REPORT AVAILABLE AT WWW.SYMRISE.COM/INVESTORS.

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Overview of the 2014 Fiscal Year

The international economic situation was reserved on the whole in 2014. Numerous political disputes and some military escalations had a negative impact on the global economy while the decline in the price of crude oil in the second half of the year provided expansive impulses. For Symrise, the acquisition of the French Diana Group was a defining moment of 2014. The move was financed through an increase in equity, a bond issue and bank loans. Diana is a globally leading provider of natural, functional solutions in the areas of nutrition, pet food, food supplements, aquacultures and cosmetics. With this transaction, Symrise will substantially expand its market position in the Flavor&Nutrition segment, intensify backward integration for natural raw materials and expand into the highly attractive market segment for pet food.

The Symrise Group generated sales of € 2,120 million in the 2014 fiscal year. This also includes sales from the Diana Group since July of € 234 million. Sales increased 16 % (18 % at local currency) over the previous year. The share of sales generated in the emerging markets accounted for 47 % of Group sales and was therefore slightly below last year's mark of 48 %.

In the 2014 fiscal year, transaction and integration costs as well as one-off measurement effects from the purchase price allocation for the Diana acquisition had a negative impact on the operating result. These expenses were mainly incurred for legal and other consulting services, for termination benefits as well as in connection with the consolidation of locations. In this report, we use normalized results adjusted for these one-off, non-recurring specific influences.¹⁾ The normalized earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDAN) of the Symrise Group increased by 24 % from € 373 million to € 465 million. The Group's EBITDA

margin, as based on sales, improved from 20.4 % to 21.9 %, normalized.

The Scent&Care segment generated sales of € 980 million in 2014. Sales were therefore up 2 % on the previous year's level. At local currency, this corresponds to growth of 4 %. EBITDA was up 15 % on the previous year at € 223 million. The EBITDA margin therefore amounted to 22.7 % in 2014 compared to 20.3 % in 2013. Due to the Diana acquisition, Flavor&Nutrition increased its sales by 31 % to € 1,140 million. At local currency, this corresponds to 34 % growth. EBITDAN for the segment was also significantly higher than last year, amounting to € 242 million in 2014. The EBITDAN margin amounted to 21.2 %, compared to 20.5 % in the previous year.

The Symrise Group's normalized net income rose by 23 % over the previous year to € 212 million in the 2014 fiscal year. Despite an increased number of shares, normalized earnings per share improved from € 1.46 in the previous year to € 1.69 in the reporting year. The reported earnings per share was € 1.48. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.70 to € 0.75 per share at the Annual General Meeting on May 12, 2015.

Cash flow from operating activities increased 25 % and amounted to € 343 million in 2014, € 68 million more than in the previous year (€ 275 million). A key factor here was the improved operating result and the consolidation of the Diana companies. The Symrise Group's liquidity increased by € 64 million to € 199 million as of December 31. Net debt (including provisions for pensions and similar obligations) increased to € 1,640 million as of the reporting date for 2014, due in large part to higher non-current borrowings and an increase in the provisions for pensions

¹⁾ A more detailed description on how the normalized results were calculated can be found on page 95.

OVERVIEW OF KEY PERFORMANCE INDICATORS

€ million	2013	2014	2014 Normalized	Change in % (2014 normalized vs. 2013) at local currency	
Sales	1,830.4	2,120.1	2,120.1	16	18
EBITDA	373.1	436.3	464.5	24	27
EBITDA margin	in %	20.4	20.6	21.9	
Net income	172.3	185.0	211.6	23	
Earnings per share	€	1.46	1.48	1.69	16
Net debt (incl. provisions for pensions and similar obligations)					
as of Dec. 31 to EBITDA, or EBITDAN for 2014,					
on an annualized basis	ratio	2.0	–	3.2	

stemming from the lower interest rate as compared to the previous year. On an annualized basis, the ratio of net debt to EBITDAN was 3.2 as of the reporting date of December 31 and is thus temporarily outside of Symrise's target corridor of 2.0 to 2.5 due to the Diana acquisition.

Basic Information on the Symrise Group

STRUCTURE AND BUSINESS ACTIVITIES

COMPANY PROFILE

Symrise develops, produces and sells fragrances and flavors as well as active ingredients for the cosmetics industry. Its customers include companies in the perfume, cosmetics and food industries, as well as manufacturers of household products. In addition, Symrise provides biofunctional and bioactive ingredients and substances to the health and personal care sector. Symrise substantially expanded its portfolio of natural ingredients with the acquisition of the French Diana Group in July 2014. The acquisition also opened up new attractive market segments, such as the pet food market. In 2014, Symrise achieved sales of over € 2.1 billion, making it one of the largest companies in the global flavor and fragrances market based on pro forma sales in 2014. The Diana Group generated pro forma sales for the complete 2014 calendar year of roughly € 460 million. Symrise sells its products in 160 countries. In 2014, Symrise generated 53% of sales in industrial countries in Western Europe, North America and parts of Asia. The number of customers served by Symrise

totaled approximately 6,000 in the 2014 fiscal year. The business model is built upon long-term relationships with our customers. As is typical in the industry, however, the order situation is characterized by orders at short notice, which is reflected in an order backlog of approximately one month's sales. Symrise generated 47% of its sales in the emerging markets in Asia, Latin America, Africa, Middle East and Eastern Europe. With the Diana acquisition, this share of sales decreased by one percentage point compared with the previous year, as the Diana division mainly generates its sales in developed markets. There are about 8,200 employees working in the Symrise Group, including those from the Diana Group. With sites in more than 40 countries, Symrise has a local presence in its most important sales markets. Symrise supplements its internal growth through strategic acquisitions that offer it a stronger market position or access to important technologies as well as new market segments.

The Symrise Group originally resulted from a merger between the German companies Haarmann & Reimer and Dragoco in 2003. Symrise's roots date back to 1874 and 1919, when the two companies were founded. In 2006, Symrise AG entered the stock market with its initial public offering (IPO). Since then, Symrise stock has been listed in the Prime Standard segment of the German stock exchange. With a market capitalization of about € 6.5 billion at the end of 2014, Symrise stock is listed on the MDAX® index. Currently, approximately 94% of the shares are in free float.

SYMRISE SITES 2014

● Regional headquarters ● Symrise sites



The two segments, Scent&Care and 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. We place great value on fast and flexible decision-making.

The Flavor&Nutrition segment consists of the Flavor and Diana divisions following the integration of the Diana Group. The Scent&Care segment is comprised of the Fragrances, Cosmetic Ingredients (was Life Essentials until the end of 2014) and Aroma Molecules divisions. The divisions themselves also break down into business units and the following regions: Europe, Africa and Middle East (EAME), North America, Asia/Pacific and Latin America.

Additionally, the Group has a Corporate Center which encompasses the central areas of finance and managerial accounting, corporate communications, investor relations, legal affairs, human resources, corporate compliance, corporate audit and global process design in order to exploit cross-segment synergies. Other supporting functions such as information technology are either outsourced to external service providers or bundled in separate Group companies. The latter have, in the divisions of technology, energy, safety, the environment and logistics, for example, business ties to customers outside the Group.

Symrise AG's headquarters are located in Holzminden, Germany. At this site, which is the Group's largest, Symrise employs around 2,200 people in the areas of research, development, production, marketing and sales. A large number of Corporate Center employees are also based in Holzminden. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and in France (Brittany). Important production facilities are located in Germany, France, Brazil, Mexico, Singapore, China and the USA. The company also has development centers, most notably those in Germany, France, Brazil, China, Singapore and the USA. We have sales branches in more than 40 countries.

BUSINESS ACTIVITIES AND PRODUCTS

Symrise manufactures about 30,000 products from around 10,000 – mostly natural – raw materials such as vanilla, citrus products or flower and plant materials. The value chain of both segments extends across product research, development, purchasing and production as well as the sale of the products and solutions. The flavors, perfume oils and active ingredients are generally central functional components in our customers' end products and often play a decisive role in consumers' purchasing decisions. Along with the typical product characteristics such as fragrance and taste, our value creation lies in the development of products with additional benefits. Examples of a combination of flavors and perfume oils with other innovative components 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. On the basis of these products, our customers can differentiate themselves from competitors with their tailor-made end products in the rapidly changing consumer goods market. The extensive research and development (R&D) undertaken at the company, which is supplemented by a wide-reaching external network of research institutes and scientific facilities, forms the basis of our product development. Given the big differences in sensory preferences, comprehensive consumer research is also an important part of our R&D activities.

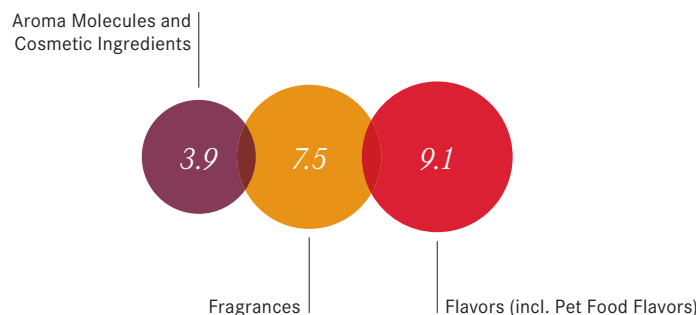
Our customers include large, multinational companies as well as important regional and local manufacturers of foods, beverages, pet food, perfumes, cosmetics, personal care products and cleaning products as well as laundry detergents.

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

Scent & Care

The Scent&Care segment's approximately 15,000 products are sold in some 135 countries. Its portfolio includes fragrance compositions, cosmetic ingredients, aroma chemicals and mint products. It has sites in more than 30 countries. The Scent&Care segment is divided into the Fragrances, Cosmetic Ingredients and Aroma Molecules divisions, where our products are used in the different business units as follows.

RELEVANT AFF MARKET SIZE 2014 in € billion
(approx. € 20.5 billion overall)



Source: IAL (9th issue, Nov. 2014), internal estimates

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 business unit), in personal care products (Personal Care business unit) and household products (Household business unit). Symrise also offers the entire product range of mint flavors and their intermediate products for use in toothpaste, mouthwash and chewing gum (Oral Care business unit).

Cosmetic Ingredients: 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, anti-dandruff shampoos and deodorants. Products with nurturing characteristics are an important part of this division. Alternative preservatives are another focus. The division is divided into the Cosmetic Ingredients and UV Filters business units.

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

Flavor & Nutrition

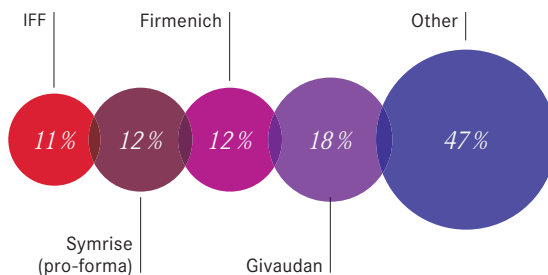
Flavor & Nutrition's range of products consists of approximately 15,000 items, which are sold in 140 countries. The flavorings that we produce are used by customers to make foods, beverages and pet foods and give the various products their individual tastes. Symrise supplies individual flavorings used in end products as well as complete solutions, which, apart from the actual flavor, can contain additional functional ingredients, food coloring or microencapsulated components. The segment has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa.

In particular, the Flavors division's flavorings and ingredients are used in three business units:

Beverages: Our flavors are used in non-alcoholic beverages such as refreshment drinks, fruit juice drinks, energy and sports drinks, tea and coffee drinks, malt-based drinks and functional drinks. Symrise also has applications for dry or instant drinks such as tea and coffee specialties. The product range is rounded out with flavors, distillates and extracts for nearly all common types of alcoholic beverages – from strong drinks like spirits to wine liquors and non-alcoholic beers.

Savory: This includes meat flavors, herb and vegetable extracts, wine flavors for soups, sauces and prepared foods as well as meat extracts, fish and wine extracts, meat pastes and vegetable pastes – all with a focus on naturalness, health and well-being in addition to sustainability. The business unit also produces seasonings for snacks.

AFF MARKET SHARE 2014 in %
 (Market volume approx. € 20.5 billion)



Source: Corporate data and internal estimates

Sweet: This business unit focuses on the sweets, chocolates, baked goods, ice cream and dairy product areas. Flavors, fruit powders, natural food colors and the optics for flakes and crunchies are in the spotlight here while striving for naturalness, authenticity and sustainability.

The product range in the Diana division is broken down into the following three business units:

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

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

Nova: This business unit is an incubator for new innovative applications such as aquacultures. All Consumer Health activities will also be pooled in Nova in the future.

MARKET AND COMPETITION

MARKET STRUCTURE

The Symrise Group is active in different markets across the world. These include the traditional market for flavorings and fragrances (F&F market), whose volume amounted to € 16.6 billion in 2014, according to calculations made by the IAL Consultants market research institute (9th issue, Nov. 2014). In addition, with the Cosmetic Ingredients and Aroma Molecules divisions, the company is active in the market for aroma chemicals and cosmetic ingredients, which, according to our own estimates, achieved sales of € 3.9 billion in 2014. The markets have many trends and characteristics in common. The market relevant for Symrise therefore has a total volume of € 20.5 billion and is achieving average long-term growth of around 2 to 3 % per year.

More than 500 companies are active in the market worldwide. The four largest providers – including Symrise – together have a market share of about 53 %.

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

Apart from different local taste preferences and behavioral patterns, the demand for end products in which our products are used is influenced by additional factors. The increasing income of people in the emerging markets is having a positive impact on the development of demand for products containing fragrances and flavorings or cosmetic ingredients. Market growth is also based on simple products that meet basic needs and have an established presence in the markets of industrialized nations. In the developed Western European, Asian and North American markets, consumer trends such as beauty, health, well-being, convenience and naturalness determine the growing demand for products containing Symrise ingredients.

SYMRISE'S MARKET POSITION

Symrise is one of the largest companies in the F&F industry. In relation to the relevant market of € 20.5 billion, Symrise's market share is roughly 12% in terms of pro forma sales in 2014. The company's biggest competitors, such as Givaudan, Firmenich or IFF, are primarily active in the traditional flavor, fragrance and perfume oil business. Symrise has expanded both segments with additional applications: for instance, with cosmetic ingredients in Scent & Care and pet foods and food ingredients within the Diana division of the Flavor & Nutrition segment. On the basis of these more complex product solutions, greater value creation can be achieved. In sub-markets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also competes with companies or segments of these companies that do not belong to the traditional F&F industry.

Symrise has worldwide leading positions in certain market segments, for example in the synthesis of nature-identical L-menthol and its derivatives as well as mint flavor compositions. Symrise also holds a leading position in the UV sun protection filter segment as well as in baby and pet foods thanks to its acquisition of Diana.

GOALS AND STRATEGY

GOALS

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

- **Market position:** With long-term growth of 5 to 7 % per year (CAGR), our sales growth should exceed the long-term growth of the market, which is expanding by about 2 to 3 % per year on average. In this way, we will gradually increase the distance between us and our smaller competitors and gain market share.
- **Value orientation:** We want to consistently be among the most profitable companies in the industry. We aim to achieve a sustainable EBITDA margin of 19 to 22 %.
- **Financial situation:** The ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be in a corridor between 2.0 and 2.5 in the medium term. In our view, it is possible to exceed this range in the short term by making acquisitions, as with our purchase of the Diana Group in mid-2014, within the framework of our strategy. A consistently high cash flow from operating activities contributes to the company's financial stability.

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

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:** We strengthen our cooperation with our strategic customers around the world and expand our business in the emerging markets. We make sure that we remain the innovation leaders in our core competencies. This ensures our continued growth.

- **Efficiency:** We constantly work to improve our processes and concentrate on products with a high level of value creation. With backward integration for key raw materials, we ensure a consistent, high-quality supply of these materials in sufficient quantities and at set conditions. We work cost-consciously in every division. This ensures our profitability.
- **Portfolio:** We enhance our product portfolio and tap into new markets and segments. We continue to expand our expertise in the areas of nutrition and care. With the acquisition of the Diana Group, we have substantially expanded our diversified product range, particularly in the areas of baby and pet food. This ensures our unique market position.

Symrise grows organically. When it makes sense, we engage in expansive acquisitions or enter into strategic partnerships for product development. At the same time, we want to ensure that Symrise remains capable of taking advantage of any growth opportunities that arise without jeopardizing the company's financial stability.

SUSTAINABILITY

For Symrise, business success and responsibility for the environment, its employees and society are inextricably linked. Symrise's corporate strategy therefore incorporates aspects of sustainability at all levels in order to enhance the company's value over the long term and minimize risks. Symrise's entrepreneurial activity involves the interests of many different stakeholder groups. Through an active dialogue with these stakeholders, we discuss their expectations and requirements and incorporate them at every stage of value creation in order to develop successful solutions. This allows us to create value for all of our stakeholders.

The Symrise set of values forms the foundation of how we think and act and also determines our corporate culture. "Because We Care" is the guiding principle of Symrise's commitment to a holistic understanding of its entrepreneurial activity. Our goal is a completely integrated corporate strategy.

The successive, strategic integration of sustainability into our core processes is managed by a global, cross-divisional team – the Symrise Sustainability Board. It consists of senior management representatives and ensures both the development and implementation of issues relevant for sustainability across the entire extended value chain as well as the consideration of the interests of key stakeholders. Implementation of the sustainability

objectives set by the Sustainability Board lies with the segments. For this reason, the Executive Board and Sustainability Board appointed global ambassadors to be responsible for the coordination of sustainability efforts in the Flavor & Nutrition and Scent & Care segments. Together with representatives from the Corporate Compliance and Corporate Communications departments, they manage the Group's sustainability strategy, while direct responsibility for the strategy lies with the Chief Executive Officer of Symrise AG.

The sustainability reporting conforms to the requirements of the application level A of the Global Reporting Initiative™ (GRI) and fulfills the G4 guidelines. Symrise once again received external recognition of its sustainability efforts in 2014.

VALUE-ORIENTED MANAGEMENT

Different variables are used within the framework of value-oriented company management. The EBITDA margin, for which we have defined an average target value of 19 to 22 %, serves as an indicator of the company's profitability. Increasing the value of the company is accounted for in the remuneration system for the Executive Board and selected managerial staff. In addition, we attach great importance to the company's financial stability. An important key figure is the ratio of net debt (including provisions for pensions and similar obligations) to EBITDA, for example.

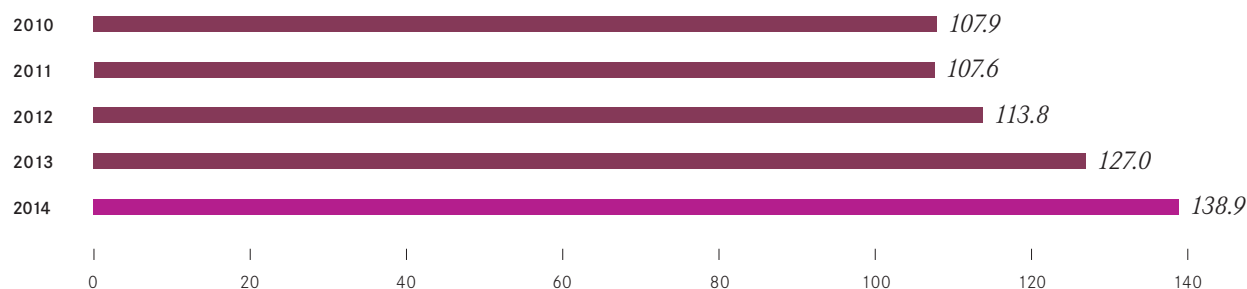
Management's focus is guided by these financial control parameters. Non-financial benchmarks are playing an increasingly important role.

RESEARCH AND DEVELOPMENT

GUIDELINES AND FOCUS AREAS

Our research and development (R&D) strategy aims to connect the individual components of product development, such as market and consumer research, R&D and creation, throughout the Group. All research activities are oriented toward the customer and the market. Through the close linkup of R&D with marketing and sales, purchasing and manufacturing, product development, quality assurance and regulatory issues, we check early on to see whether new products and technologies can be implemented and if they are profitable. External cooperations and networks (open innovation) are bringing a wealth of new methods and ideas to the development process. All R&D activities are geared to the guidelines of environmental compatibility, sustainability, innovation and cost efficiency. The capitalization rate for research and development activities amounted to 0.5 % in the 2014 fiscal year and therefore continues to be insignificant.

R&D COSTS in € million



The Scent & Care segment focuses on six areas in its R&D strategy:

- Innovations in the area of green chemistry for use in fragrances and cosmetic ingredients
- Functional substances for oral care products
- Bioactive ingredients for cosmetic applications
- Release systems for fragrances
- Malodor masking
- Sensory research and receptor biology

In the Flavor & Nutrition segment, the following areas are being reworked via six technology platforms:

- Developing and establishing concepts for ensuring the authenticity of natural aromatic substances
- Developing agro-based and declaration-compatible flavor systems such as plant extracts with improved fermentation properties for optimizing sweet flavors, authentic onion-based flavor systems, optimized and sustainable vanilla extracts and new savory flavor systems
- Developing natural aromatic substances as well as complex natural flavor preparations with authentic flavor profiles that integrate new botanical raw materials as well as the latest biocatalysis methods

- Optimizing high-protein foods in regards to masking unwanted flavors (bitterness and astringency masking)
- Identifying and validating functional effects in natural substances with physiological functional properties for the areas of Health and Nutrition
- New technologies for the selective enrichment and release of aromatic substances
- New, application-specific encapsulation technologies particularly for teas, chewing gums and snacks
- Formulating products with health-promoting characteristics while simultaneously optimizing the sensory profile with special attention to ingredients relevant for health
- Initial optimization of flavor systems and technologies for feed components aimed at increasing acceptance from pets in the Diana Pet Food business unit
- Evaluating and further developing agriculture-based raw materials from the Diana Food business unit

ORGANIZATION

Symrise's two segments each manage their own R&D activities due to the varying requirements of their respective markets and customers. At the same time, technologies, processes and findings are made available to both segments in order to achieve synergies, such as in the fields of green chemistry and white biotechnology. The R&D resources of both segments are directly integrated into the organization. Multiple R&D centers around the world ensure that the regional activities of both segments

are optimally supported. The activities in Holzminden concentrate in particular on fragrance, flavor and taste research as well as the implementation of the principles of green chemistry in the development of fragrances, aromatic substances and cosmetic ingredients. Furthermore, there is a focus on the development of new functional ingredients for application in foods. The majority of the R&D activities for the Diana division (Diana Pet Food and Food) is located in France, with additional research and development on plant cell culture-based technologies located in Oregon (USA). Development and application technologies for the segments are also located in Teterboro (USA), Singapore, Tokyo (Japan), Chennai (India), Paris (France) and São Paulo (Brazil).

From idea to marketable product, the innovation process at Symrise is organized based on a uniform, stage model with decision filters. The process is established throughout the company. A business plan containing exact project descriptions, including the project's costs and resource usage, is developed for every project. An evaluation system for determining the sustainability of projects and the resulting products and processes was also developed and introduced in 2014.

PERSONNEL AND EXPENSES

At Symrise, nearly 18 %, or 1,457, of our employees work in the R&D area worldwide. In the previous year, 1,160 employees worked in R&D. The increase is mainly due to the acquisition of the Diana Group. Total R&D expenditures amounted to € 139 million in the 2014 fiscal year (previous year: € 127 million), comprising 6.6% of sales (previous year: 6.9%). Research expenses will remain at this level in the future in order to further increase Symrise's innovative strength.

EMPLOYEES

STRUCTURE OF THE WORKFORCE

As of December 31, 2014, the Symrise Group employed 8,160 people (not including trainees and apprentices) worldwide. In comparison to December 31, 2013 (5,959), this represents an ad-

ditional 2,201 employees. The increase in the number of employees in the Flavor&Nutrition segment was particularly notable (+2,151 employees). This segment employs 62% of the Group's total workforce. This increase is primarily the result of the acquisition of the Diana Group and its 2,066 employees. 27% of employees work in the Scent&Care segment. Here, the number of employees increased by 26 in 2014. About 11% of the Group's employees work in the Corporate Services and Corporate Center segments as well as in the separate Group companies Symotion and Tesium, which also occasionally provide services for third parties in such areas as technology, energy, safety, environmental issues and logistics. The number of apprentices and trainees was up 12% on the previous year at 141 (previous year: 126 apprentices and trainees). They are trained in particular as chemical lab technicians and chemists, industrial clerks and business students (dual training with a Bachelor of Business Administration degree) as well as industrial mechanics.

From a functional perspective, the majority (48%) of the Symrise Group's workforce is employed in the area of production and technology. This was also the area that experienced the greatest growth in personnel in 2014, adding 1,514 employees. 21% of the workforce is employed in sales and marketing, while 18% of employees work in research and development.

Of the Group's 8,160 employees, about 30% work at sites in Germany, while the EAME region as a whole accounts for 53% of the workforce. 20% of our employees work in the Latin America region, 16% in Asia/Pacific and 11% in North America. The increase in employees in 2014 was especially notable in EAME (excluding Germany) at 133% as a result of the Diana acquisition, though growth in Latin America and North America was also strong at 86% and 37% respectively.

In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 60%. We regularly assess the demographic development of our

NUMBER OF EMPLOYEES BY SEGMENT

	December 31, 2013	December 31, 2014	Change in %
Flavor&Nutrition	2,943	5,094	+73
Scent&Care	2,147	2,173	+1
Corporate functions and services	869	893	+3
Total (not including trainees and apprentices)	5,959	8,160	+37
Trainees and apprentices	126	141	+12
Total	6,085	8,301	+36

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

NUMBER OF EMPLOYEES BY FUNCTION

	December 31, 2013	December 31, 2014	Change in %
Production & Technology	2,431	3,945	+ 62
Sales & Marketing	1,561	1,747	+ 12
Research & Development	1,160	1,457	+ 26
Administration	440	629	+ 43
Service companies	367	382	+ 4
Total	5,959	8,160	+ 37

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

workforce. Demographic development will be very steady over the next ten years. The natural reduction of the workforce due to retirement will be around 1 to 2 % per year until 2020.

Over 40 % of the Symrise Group's employees have been with the company for at least ten years – for German sites, this group accounts for 70 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.2 % in 2014. Globally, the figure was 4.8 %.

PERSONNEL STRATEGY

The strategic focuses for human resources in 2014 concentrated on personnel and manager development as well as the integration of Diana. Moreover, we enhanced our activities in the areas of health management, work-life balance, diversity and demographic change.

Employee and Manager Development

In 2014, Symrise started a program for the development of future managers under the title "Future Generation Leadership Development Program." This program aims to develop the next generation of the company's managers. We deliberately implemented diversity criteria regarding the selection of participants. 40 % of the participants are women. A total of 22 junior talents

from our two segments and from eight countries were put on a two-year developmental path that entails an intensive English-language program.

Integrating the Diana Group into the Symrise Organization

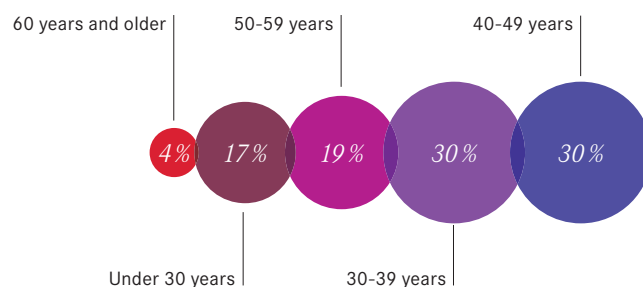
As an international company with headquarters in Germany, Symrise faced some notable HR-related challenges regarding the integration of its acquisition Diana. Diana employs about 2,100 employees worldwide, with about 1,000 of these working in France. Here, we needed to be considerate of the country's established HR-policy culture. Symrise sees the French workforce and management team as an asset with a special cultural value that is worth protecting and preserving. That is why we decided to integrate Diana into the Symrise organization as a separate division within the Flavor & Nutrition segment. The Diana division is also being headed by a French managing director joining Symrise from Diana, which is another component of this cultural respect. This manager participates in the regular meetings of the expanded management at Symrise. We have established a special incentive program that is oriented towards the targeted sales and earnings goals to support and motivate the Diana managers to achieve the ambitious medium-term goals.

NUMBER OF EMPLOYEES BY REGION

	December 31, 2013	December 31, 2014	Change in %
Germany	2,398	2,462	+ 3
EAME not including Germany	786	1,829	+ 133
North America	673	922	+ 37
Asia/Pacific	1,235	1,333	+ 8
Latin America	867	1,614	+ 86
Total	5,959	8,160	+ 37

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

AGE STRUCTURE OF THE WORKFORCE 2014 in %

*Education*

One of Symrise's strengths is in the training and development of our technical personnel, particularly in the creative segment. The flavorist and perfumer schools train specialists who can be quickly and successfully employed. Next, the technical training of our production employees is a core component of Symrise's professional development program with training courses for chemical production specialists, process chemical technicians or as inventory specialists at Symotion GmbH. Our high-performance sales training for sales personnel is also being continued and further expanded.

Symrise has made considerable investments into the continuation and expansion of its training at its Holzminden site. Each year, we hire roughly 45 new apprentices in various occupational training programs. This helps us prepare for the upcoming demographic change. Two additional Symrise employees with a chemical-technical professional background began studies in a dual degree program in Life Science Technologies as of the winter semester of 2014.

Symrise supports employees who engage in further training or educational measures, including Master's programs and PhDs, in a wide variety of ways. This support provides great motivation for the employees and ultimately benefits the company as well.

Company Daycare

Another important component of the corporate culture at Symrise is our family-oriented HR policy. Here, Symrise took the initiative, in cooperation with other companies in the region and an ex-

ternal operator, and co-founded a company daycare in Holzminden: the "Grasshoppers." The daycare launched in December 2014 with its first group of children and will move into its own new rooms in 2015. This important initiative aims to enhance and improve the compatibility of work and family life.

Working Life

A further strategic element of Symrise's HR policy is focused on demographic change. Though not in the short and medium term, Symrise will face major challenges in the longer term after 2020. The introduction of working time accounts for employees in Germany, which allow employees to retire early and/or more flexibly, is an initial step in the right direction.

Health management

Symrise boosted its activities in health management and formed a global network of participants under the title of "SimplyHealthy." This will link regional activities and allow team members to learn from one another. The focus in Germany this year was on production, which generally operates on a shift work schedule, with initiatives in three areas: exercise, nutrition and sleep.

Diversity

Diversity is a central element of Symrise's HR policy and will be built upon continually. In 2014, we initially began establishing greater transparency and KPIs on the central parameters of diversity, such as nationality and gender, in order to measure what ratio of men and women work at Symrise and how well this is reflected at the management level. This program will be continued in 2015 with various activities.

PERSONNEL MEASURES

Remuneration and Wage Agreements

Symrise uses the wage agreements applicable to the chemicals industry for its employees in Germany – both in terms of content and duration. In February 2014, a wage agreement was concluded for the chemical industry in Germany that calls for an increase of the tariff wages of 3.7%. For the application of this increase at Symrise, we took into account our pioneering site safeguard agreement, which will remain in effect through the year 2020, and provides for salary reductions of 0.7 percentage points compared to the industry tariff. As a result, the tariff wages of our employees in Germany will be increased by 3% by the wage agreement. The adjusted tariff wages will remain valid until the end of March 2015.

At the other Symrise sites, our tariff policies are oriented towards the local benchmarks and inflation rates. Symrise is also a competitive employer in these markets in regards to compensation and benefits.

Flexible remuneration systems, which honor employees' individual contributions with variable salary components and at the same time take the company's economic situation into account, are an important element of our modern remuneration policy. The remuneration systems are based on our salary range model, which was introduced at all of the major Symrise sites. The advantages of this job grade concept lie in a structured and comprehensible remuneration and in its international comparability. This makes our company more attractive as an employer and contributes toward recruiting and retaining employees.

In addition, a separate global performance bonus plan ensuring that company goals are reached by means of a variable remuneration geared toward results and performance applies to about 70 managers with global or regional responsibilities: Employee performance should pay off at Symrise.

Measures to Safeguard Competitiveness

The existing company wage agreement between Symrise and IG BCE (Mining, Chemical and Energy Industrial Union) makes an important contribution toward securing the company's competitive position. The agreement was extended until 2020 at the beginning of 2012. The essential elements of the agreement on the company's side are a guarantee of location and employment as well as investment commitments of around € 220 million for the German sites until 2020. At the same time, the agreement forms the basis for qualification measures and considerable cost savings

through the retention of a working week of 40 hours and the gradual takeover of the IG BCE union wage rates with clearly defined reductions of 0.7 percentage points per year until 2020. The implementation of qualification measures, which foster and enhance the innovative ability of our employees, is an essential pillar of our personnel policy. With these concessions, the workforce is making a decisive contribution to internationally competitive personnel costs at our German sites. A key element of the collective bargaining agreement is the return of these competitiveness-enhancing discounts to employees if Symrise loses its independence. In this case, the chemical industry's general wage agreement automatically comes into effect six months after Symrise is acquired by a third party. This does not affect the site guarantee and the waiver of terminations for business reasons through 2020.

Economic Report

GLOBAL ECONOMIC AND INDUSTRY-RELATED CONDITIONS

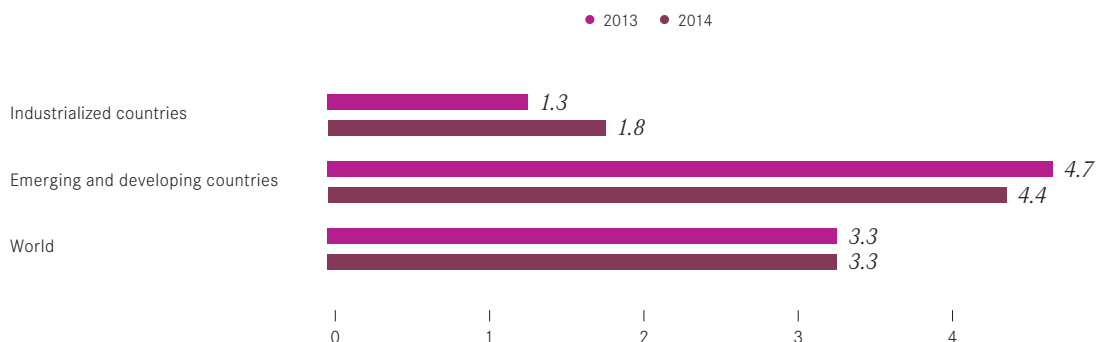
DIFFERENTIATED EFFECTS ON SYMRISE

Symrise's business development is influenced by various factors in the company's environment. Regarding sales, general economic development plays a big role. The sub-markets in which we are active show different degrees of fluctuation depending on economic developments.

In our manufacturing, we make use of about 10,000 natural and synthetic raw materials. On account of various factors, including the development of the economy, oil prices and harvests, these raw materials can be subject to strong price fluctuations. Furthermore, production can be affected by shortfalls in the supply of raw materials due to political unrest in supplier countries, among other things.

Symrise's products are used in a number of applications worldwide, such as the manufacture of food including baby food and pet food, in cosmetic and pharmaceutical end products and in household products. Worldwide use of our products requires that we observe national and internationally valid consumer protection guidelines and legal regulations. These regulations are in constant flux due to new findings in research, development and production technology, a growing need for safety and a steadily increasing health and environmental awareness across the globe. We observe the regional and global development of the regulatory environment, ensuring that we can react quickly to changes in or tightening of regulations.

DEVELOPMENT OF GROSS DOMESTIC PRODUCT IN 2013/2014 in %



Source: IMF

GLOBAL ECONOMIC CONDITIONS

The international economic situation was reserved on the whole in 2014. According to the January 2015 estimates from the International Monetary Fund (IMF), global economic output increased by 3.3%, just as it did in 2013. Numerous political disputes and military escalations, particularly those in the Middle East, Africa and Ukraine, and their negative economic effects weighed down on the global economy. This was countered in the second half of 2014 by the drastic drop in oil prices, which provided expansionary impulses.

Economic performance in the industrialized countries showed a significantly divergent picture in 2014. While the US economy grew stronger than expected at 2.4%, economic development in Japan (0.1%) and the eurozone (0.8%) lagged behind expectations. Mainly due to ongoing structural problems, the economies of Italy and France achieved little to no growth. The German economy grew 1.6% in 2014 according to calculations from the Federal Statistical Office, after only 0.1% in the previous year. Here, private consumption and industry investments were the key drivers of growth while exports minus imports only provided a relatively small contribution.

The economic output of the emerging and developing countries expanded by an estimated 4.4% in 2014 after 4.7% in the previous year. Here, too, the pace of growth varied greatly between the various markets. Countries in Asia achieved an average economic growth of 6.5%, though China experienced something of a down year, particularly due to reserved investment behavior. On the other hand, India's economy achieved greater growth than in 2013. Economic development in Eastern Europe suffered from the conflict in Ukraine and the related sanctions as well as from

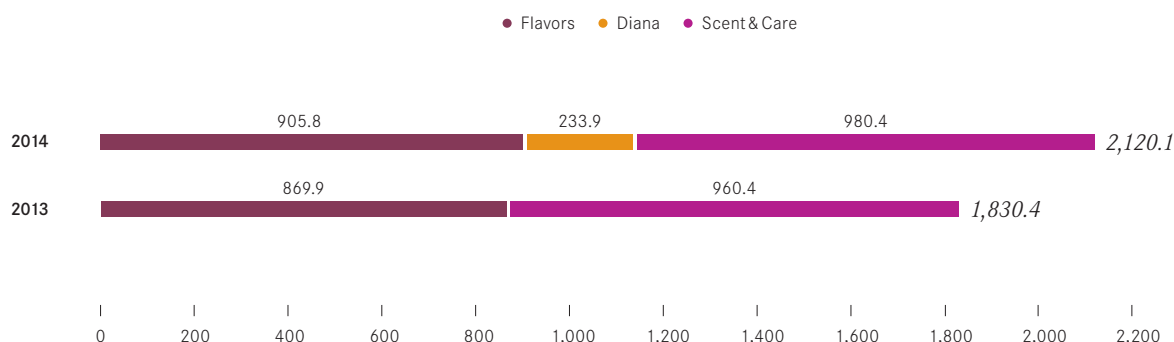
the drop in oil prices, especially in Russia. Some countries in Latin America, namely Argentina, Brazil and Venezuela, also struggled with grave economic problems – for instance with high inflation or a drop in the value of their currency.

When viewed as an isolated factor, overall economic development has varying influence on the course of business of Symrise:

- Economic fluctuations in the developed markets have very little effect on the demand for end products containing Symrise products if they cover basic needs – for example, in the nutrition, personal care or household areas.
- The demand for products in the “luxury segments” of Fine Fragrances and Personal Care (about 10% to 15% of our product portfolio) is significantly more dependent on the disposable income of private households.
- In the emerging markets, there is higher demand for products refined with flavorings and fragrances, in keeping with the dynamically increasing standard of living of the population.
- Symrise customer companies manage production and warehousing so that as little capital as possible is tied up. Uncertainties about future sales development lead to adjustments, including those that affect the amount of products purchased from Symrise.

Symrise benefited from its favorable market position in the emerging markets as well as a broadly diversified customer portfolio in the 2014 fiscal year.

SALES DEVELOPMENT OF THE SYMRISE GROUP in € million



DEVELOPMENT OF ESSENTIAL SALES MARKETS

The relevant market for the Symrise Group is growing at a long-term rate of 2 to 3%. For 2014, the global market volume amounted to € 20.5 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.

PRICE DEVELOPMENT AND AVAILABILITY OF RAW MATERIALS

Symrise uses about 10,000 different raw materials in production. Important examples are natural vanilla and citrus derivatives (juices, essential oils, etc.), citral and terpene derivatives and base chemicals derived from crude oil which are used in Symrise's value chain as menthol intermediate products, solvents as well as raw materials for sun protection filters and special aromatic substances. In general, however, individual raw materials comprise only a very small part of the total requirement. Procurement costs saw moderate downturns for many raw materials in 2014. This was overcompensated, however, by significant unforeseen price increases in citrus-based raw materials such as juice concentrates and peel extracts. With the very important citral and terpene derivatives, which are used to manufacture fragrances, the supply and cost situation intensified in 2014. The same is true for most base chemicals, such as solvents.

Overall, the prices for chemical raw materials decreased slightly over the course of the 2014 fiscal year. Natural raw materials experienced significant price distortions due to the unsettled market environment and continued high level of volatility. To increase supply security with base products, Symrise has for years pursued a strategy of long-term cooperation. Examples of this are the collaboration with LANXESS in the manufacture

of synthetic menthols and a presence in Madagascar, the most importance source country for bourbon vanilla, with backward integration, meaning the inclusion of local farmers.

CORPORATE DEVELOPMENT

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

The Symrise Group generated sales of € 2,120 million in the 2014 fiscal year. This also includes sales from the Diana Group since July 2014 of € 234 million. Sales increased 16% over the previous year in the reporting currency (18% at local currency). The emerging markets' share of total Group sales amounted to 47%. With the Diana acquisition, this share of sales decreased by one percentage point compared with the previous year, as the Diana division mainly generates its sales in developed markets. Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDAN) at the Group level increased by 24%, from € 373 million to € 465 million. This corresponds to a sales margin of 21.9% (previous year EBITDA margin: 20.4%).

The normalized net income for 2014 increased by € 40 million over the previous year to € 212 million. Normalized earnings per share amounted to € 1.69 (2013: € 1.46). The reported earnings per share was € 1.48. Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.70 to € 0.75 per share at the Annual General Meeting on May 12, 2015.

SALES BY REGION

€ million	2013	2014	Change in %	Change in % at local currency
EAME	828.3	989.0	19	21
North America	350.3	408.6	17	17
Asia/Pacific	419.6	452.6	8	10
Latin America	232.2	269.8	16	27
Total	1,830.4	2,120.1	16	18

RESULT OF OPERATIONS

Group Sales

For 2014 as a whole, the Symrise Group generated sales of € 2,120 million. This also includes sales from the Diana Group since July 2014 (€ 234 million). In comparison to the previous year, sales increased 16 % in the reporting currency and 18 % at local currency.

Segments: Scent & Care was able to increase sales at local currency by 4 % to € 980 million. Sales in the Flavor & Nutrition segment reached € 1,140 million in the past fiscal year. This corresponds to an increase at local currency of 34 % compared to the previous year, due in large part to the Diana acquisition. Without the Diana acquisition, growth at local currency for the Flavor & Nutrition segment would have amounted to 6 %.

Regions: Sales in the **EAME** region were up 19 % for the year (at local currency: 21 %). The **North America** region also developed very positively in the 2014 fiscal year and achieved sales growth of 17 % compared to the previous year (at local currency: 17 %). Business in the **Asia/Pacific** region also developed positively, with a sales increase of 8 % (at local currency: 10 %). Sales in the **Latin America** region increased by 16 % compared to the previous year (at local currency: 27 %).

Sales in emerging markets exceeded the previous year's figures at local currency by 17 %. The share of this group of countries in total sales was 47 % in the 2014 fiscal year. With the Diana acquisition, this share of sales decreased by one percentage point compared with the previous year, as the Diana division mainly generates its sales in developed markets.

Scent & Care Sales

In the 2014 fiscal year, the Scent & Care segment generated sales of € 980 million. Sales were therefore up 2 % on the previous year's level. At local currency, this corresponds to growth of 4 %.

All divisions posted positive sales developments in the year under review. The Cosmetic Ingredients division generated the strongest growth. However, the Fragrances and Aroma Molecules divisions also increased sales significantly.

Regions: All regions were able to notably increase their sales at local currency in the past fiscal year. Leading the way was the Latin America region, with the Fragrances and Cosmetic Ingredients divisions making the strongest contributions.

In the **EAME** region, sales at local currency increased by 5 %. Both in the developed markets of Western Europe as well as in the emerging markets of Eastern Europe, we managed to generate high single and even double-digit growth rates. The Fragrances and Cosmetic Ingredients divisions in particular posted high growth rates here.

Sales rose by 2 % at local currency in **North America**. The growth was seen in the Fragrances division, which was especially due to the positive development in the Oral Care business unit.

In the **Asia/Pacific** region, sales at local currency increased by 2 %. Here, the growth in sales over the previous year came from the Aroma Molecules division in particular. While Cosmetic Ingredients generated moderate growth, Fragrances came in slightly below the previous year's figure. The greatest growth impulses were seen in India, Japan and Indonesia.

Scent&Care achieved its highest growth in the past fiscal year in **Latin America**. Sales increased 10% compared to the previous year at local currency. Particularly the Fragrances and Cosmetic Ingredients divisions managed to achieve high growth rates sometimes reaching double-digits. Particularly dynamic was the development of business in the markets of Brazil, Argentina, Mexico and Colombia.

Divisions: The **Fragrances** division, which accounts for more than half of the sales in the Scent&Care segment, posted moderate single-digit sales growth at local currency in the 2014 fiscal year. In particular, the Personal Care and Household business units achieved high growth rates.

The **Cosmetic Ingredients** division generated a high single-digit growth rate at local currency in 2014, which was particularly due to good development in the business unit sharing the same name, Cosmetic Ingredients. Symrise also won two PCHi awards at the 2014 Personal Care and Homecare Ingredients (PCHi) trade fair in recognition of its development achievements. SymHair® Force 1631 won in the category for ground-breaking ingredient of the year thanks to its special properties that strengthen hair. Meanwhile, SymSave® H impressed with its multi-functional stabilizing properties and took the top spot in the category for functional ingredients/preservatives.

Sales performance in the **Aroma Molecules** division was positive in the 2014 fiscal year and achieved moderate growth at local currency. Key growth drivers here were the Menthols and Special Fragrance&Flavor Ingredients business units.

Flavor&Nutrition Sales

In the 2014 fiscal year, the Flavor&Nutrition segment generated sales of € 1,140 million. Compared to the previous year, this corresponds to growth of 31%; at local currency the increase was 34%. It also includes for the first time sales from the Diana Group since July 2014 of € 234 million. Without this effect, growth amounts to 6% at local currency.

Regions: Compared to the previous year, Flavor&Nutrition increased sales substantially in every region in 2014, with the acquisition of the Diana Group making a significant contribution to this result.

In the **EAME** region, sales at local currency in the 2014 fiscal year eclipsed the figures from the previous year by 33%. In addition to the sales contributions from the Diana acquisition, this growth is especially attributable to the emerging markets of Africa, the Gulf region and Eastern Europe. Sales in some Western European markets also saw significant improvements. Performance in Nigeria, Russia, the UK, Spain, Poland and Egypt was particularly dynamic. The Savory and Beverages business units generated the highest growth rates, especially with strategically important customers.

In **North America**, sales at local currency increased by 43% in the 2014 fiscal year. The key growth driver here was also the sales generated by the Diana Group. Additionally, the Sweet business unit posted high double-digit growth rates. Here, vanilla flavors for strategic customers in particular contributed to sales growth.

In the **Asia/Pacific** region, sales at local currency increased in the past fiscal year by 20%. The markets in the Philippines, Bangladesh, India, Thailand and Indonesia provided especially high, occasionally double-digit growth rates for the Flavor&Nutrition segment. The business units Beverages and Savory managed to notably expand their business and achieve double-digit and high single-digit growth. The Sweet business unit, on the other hand, was slightly below the level of the previous year.

In the **Latin America** region – again the strongest performing region – Flavor&Nutrition achieved growth of 57% at local currency compared to the previous year. The key growth driver here was also the acquisition of the Diana Group. Moreover, sales in Argentina, Venezuela, Chile and Guatemala in particular were up considerably for the year. The Sweet, Savory and Beverages business units generated high single-digit, and sometimes double-digit, growth rates thanks to new business with global and regional customers.

INCOME STATEMENT IN SUMMARY

€ million	2013	2014	Change in %
Sales	1,830.4	2,120.1	16
Cost of sales	- 1,059.5	- 1,218.1	15
Gross profit	770.8	902.0	17
Gross margin in %	42.1	42.5	
Other operating income	16.1	29.1	81
Selling and marketing expenses	- 290.0	- 340.4	17
Research and development expenses	- 127.0	- 138.9	9
Administration expenses	- 85.0	- 109.4	29
Other operating expenses	- 1.8	- 4.6	155
Income from operations/EBITN¹	283.1	337.9	19

¹ for 2013: EBITN = EBIT

Development of Important Items in the Income Statement

In the 2014 fiscal year, acquisition and integration costs of € 20 million relating to the purchase of the Diana Group impacted the operating result. As part of the preliminary purchase price allocation for the Diana acquisition completed in the fourth quarter, the acquired inventories had to be measured once at their fair value. These were consumed by the end of the year. The increased material costs related to these measured inventories lowered the operating result by € 10 million. In the following, we use normalized results (EBITN/EBITDAN) adjusted for these one-off, non-recurring specific influences. The consolidation of the Diana Group since July 2014 had a positive impact on our result (EBITDAN) of € 48.8 million. In 2014, the **cost of sales** rose by € 159 million, or 15%, to € 1,218 million (2013: € 1,060 million). The increase is mainly due to the acquisition of the Diana Group. Gross profit increased by 17% and amounted to € 902 million (2013: € 771 million). The **gross margin** was 42.5% and therefore 0.4 percentage points higher than in the previous year (42.1%). **Selling and marketing expenses** were up by 17% compared to the previous year, amounting to € 340 million (2013: € 290 million). This corresponds to 16.1% of Group sales (2013: 15.8%). **R&D expenses** increased by 9% to € 139 million (2013: € 127 million). The R&D rate was therefore 6.6% (previous

year: 6.9%). **Administration expenses** increased by 29% to € 109 million (previous year: € 85 million). Administration expenses as a share of Group sales amounted to 5.2% in the year under review (previous year: 4.6%). The rise in selling and marketing, research and administration expenses compared to the previous year primarily relates to the inclusion of the Diana Group in the consolidated financial statements.

Earnings Situation

Group: Earnings before interest, taxes, depreciation and amortization on property, plant and equipment and intangible assets (EBITDAN) were up 24% in 2014 to € 465 million (2013: € 373 million). The Diana acquisition, in particular, and the improved gross profit in particular had a positive effect on earnings compared to the previous year. The **EBITDAN margin** amounted to 21.9% in 2014 compared to 20.4% in the previous year.

Scent & Care: Scent & Care generated an EBITDA of € 222.9 million in 2014. It was therefore 15% higher than the previous year's level of € 194.5 million. The EBITDA margin therefore amounted to 22.7%, compared to 20.3% in 2013.

OVERVIEW OF EARNINGS

€ million	2013 ¹	2014	Change in %	Change in % at local currency
EBITDAN	373.1	464.5	24.5	26.7
EBITDAN margin in %	20.4	21.9		
EBITN	283.1	337.9	19.3	21.9
EBITN margin in %	15.5	15.9		

¹ for 2013: EBIT resp. EBITDA

Flavor & Nutrition: The EBITDAN in the Flavor & Nutrition segment in 2014, adjusted for the one-off non-recurring specific influences associated with the Diana acquisition, was significantly higher than the previous year's level (2013: € 178.6 million), reaching € 241.6 million. The EBITDAN margin amounted to 21.2%, compared to 20.5% in the previous year.

Financial result: The financial result in 2014 of € -48.4 million represents a downgrade of € 11.1 million compared to 2013. The reasons for this relate on the one hand to one-off expenses connected to the financing of the Diana Group acquisition (€ 5 million) and an increased interest expense associated with the new borrowings used to finance the acquisition, namely the Eurobond and the long-term syndicated loan. Furthermore, there were one-time negative valuation effects relating to the first-time consolidation of Probi AB (€ -2.8 million). Interest expenses increased by € 7.9 million from € 33.8 million to € 41.7 million.

Taxes: In the 2014 fiscal year, tax expenses amounted to € 72.9 million (2013: € 73.5 million). The resulting tax rate of 28.1% is therefore below that of the previous year (29.9%). In 2013, the tax rate was influenced by the creation of tax provisions for ongoing audits. An adequate provision for risk was made, as in previous years.

Net income and earnings per share: Net income adjusted for specific influences amounts to € 212 million, which corresponds to a normalized earnings per share of € 1.69. The net income in 2014 including specific influences totaled € 185 million, € 13 million, or 7%, higher than in the previous year (2013: € 172 million). Earnings per share therefore improved by € 0.02 to € 1.48 (2013: € 1.46) despite a higher number of shares.

Dividend proposal for 2014: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.75 per share for the 2014 fiscal year at the Annual General Meeting on May 12, 2015. Symrise views the dividend payment as being part of its corporate responsibility to continually achieve high yields for its shareholders and to enable shareholders to participate in the company's success by means of an appropriate dividend.

FINANCIAL POSITION

Cash Flow and Liquidity Analysis

OVERVIEW OF CASH FLOW

€ million	2013	2014
Cash flow from operating activities	274.8	343.2
Cash flow from investing activities	- 145.8	- 476.8
Cash flow from financing activities	- 99.8	195.4
Liquid funds (Dec. 31)	135.3	199.2

Cash flow from operating activities amounted to € 343.2 million in 2014, about € 68.4 million more than in the previous year (€ 274.8 million). The primary reasons were the improved operating result and the consolidation of the Diana companies. The cash flow rate relative to sales thus was about 16%.

Cash outflow from investing activities was up about € 331.1 million to € 476.8 million. It primarily relates to payments for business combinations minus liquid funds. Due to the cash capital increase performed in connection with the acquisition (€ 401.4 million), the cash flow from financing activities amounted to € 195.4 million. The cash flow from financing activities also includes dividends paid in 2014 amounting to € 84.4 million, net interest payments to financial institutes totaling € 63.1 million (previous year: € 22.3 million) and the repayment of bank loans of € 51.7 million (previous year: € 1 million). The interest payments to financial institutions contain € 40.5 million that were due as repayment for the Diana Group's existing financing obligations. All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The company has sufficient credit lines available for realizing the corporate strategy.

Investments and Acquisitions

The Symrise Group invested € 101 million in intangible assets and property, plant and equipment in the 2014 fiscal year, after spending € 143 million in the previous year. The € 143 million from the previous year contains € 71.5 million in intangible assets from the business combination of the American Belmay Group.

Around € 11 million was spent on intangible assets (2013: € 81 million). This mainly consisted of investments in software, primarily SAP applications, as well as patents and registration of chemicals according to the European chemicals directive. Investments in property, plant and equipment amounted to approximately € 91 million (previous year: € 62 million). These mainly concerned investments in capacity expansions as well as

replacements in the mass spectrometry in research. Furthermore, the increase in comparison to the previous year is also due to the expanded scope of consolidation.

Symrise AG successfully completed the takeover of the Diana Group in July 2014. From that date, the Diana Group has been fully consolidated and included in the consolidated financial statements. The capital expenditure totals approximately € 1.3 billion.

Furthermore, the previously associated company Probi AB, Sweden, has been fully consolidated in the consolidated financial statements from April 29, 2014, pursuant to the new provisions specified in IFRS 10.

The most important investment in the Scent & Care segment was the expansion of chemical production in the Cosmetic Ingredients and Aroma Molecules divisions with a volume of € 8 million. In the Flavor & Nutrition segment, the capacity expansion of extraction and distillation as well as spray-drying and the expansion of production in Madagascar were the largest projects, accounting for an investment volume of € 5 million. All of the projects were funded through operating cash flow.

NET ASSETS

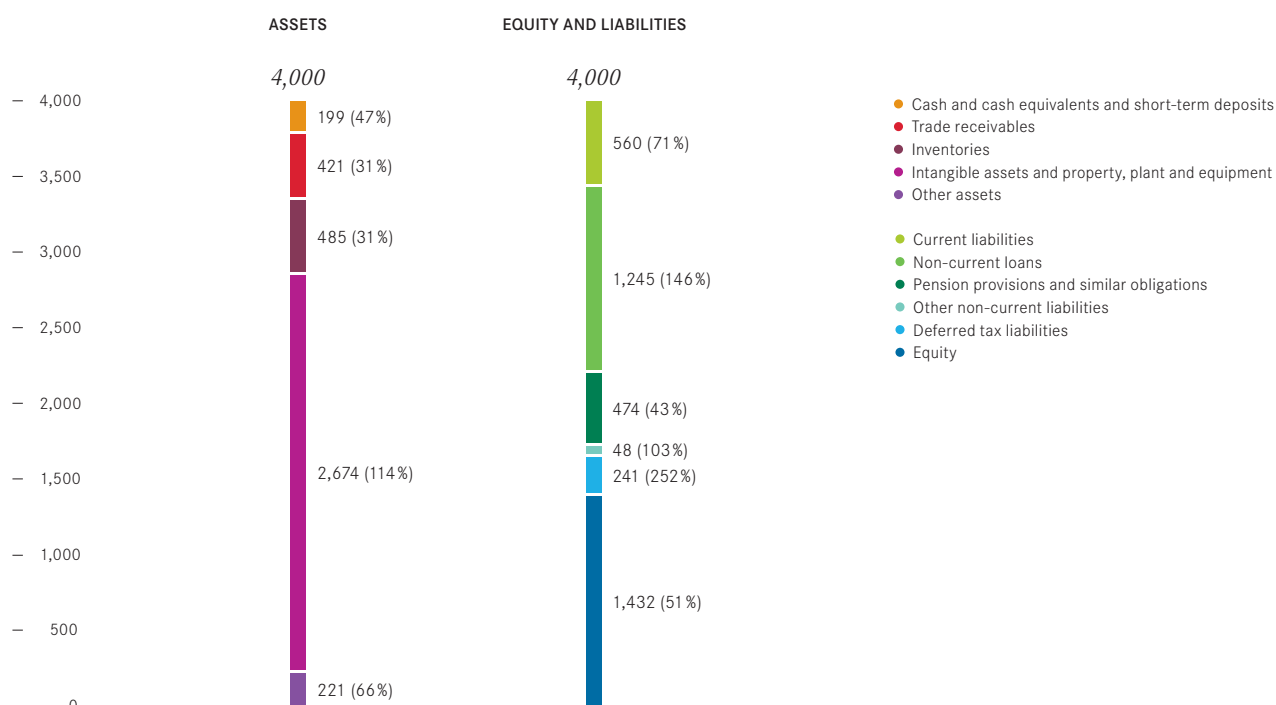
Select Balance Sheet Items

Total assets as of December 31, 2014, increased compared to the previous year by € 1,790 million to € 4,000 million (December 31, 2013: € 2,210 million). This mainly resulted from the intangible assets purchased as part of the acquisition of the Diana Group, including the acquired goodwill.

Intangible assets amounted to € 2,034 million as of the reporting date for 2014 and were therefore significantly above the previous year level (December 31, 2013: € 812 million). The item accounts for 60 % of our assets. Intangible assets include goodwill acquired through business combinations amounting to € 1,091 million (December 31, 2013: € 491 million), as well as recipes and technology, customer bases, trademarks, software, patents and other rights amounting to € 943 million (December 31, 2013: € 321 million). **Property, plant and equipment** amounted to € 640 million at the end of 2014 (December 31, 2013: € 440 million) and mainly contains land and buildings as well as plants and machinery. Compared to the previous year (December 31, 2013: € 369 million), **inventories** increased € 28 million to € 485 million when taking scope of consolidation additions into

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2014 in € million

(Change compared to previous year's reporting date, in %)



consideration (€ 88 million). The increase in inventories was primarily driven by the substantial rise in sales, which also led to higher **trade receivables** (€ 421 million, December 31, 2013: € 322 million) and **trade payables** (€ 214 million, December 31, 2013: € 151 million) as of the reporting date. The additions in trade receivables and trade payables related to changes in the scope of consolidation amounted to € 72 million and € 46 million respectively. The ratio of working capital to pro forma sales thus decreased by one percentage point to 29 %. The Symrise Group's **liquidity** amounted to € 199 million as of December 31, 2014 (December 31, 2013: € 135 million).

Current liabilities were higher than in the previous year at € 560 million (December 31, 2013: € 328 million). This is especially due to the aforementioned increase in trade payables, current loan obligations and an increase in other liabilities (employee-related liabilities and other tax liabilities). **Non-current liabilities** increased by € 1,077 million to € 2,008 million. This includes **non-current borrowings**, which amounted to € 1,245 million at the end of 2014, significantly higher than in the previous year (€ 507 million). This is particularly due to the issue of a new bond with a volume of € 500 million. Due in large part to comparatively low interest rates, **provisions for pensions and similar obligations** increased from € 332 million to € 474 million (interest rate for Germany: 1.9 %, December 31, 2013: 3.5 %).

The Symrise Group's **equity** increased to € 1,432 million (December 31, 2013: € 951 million) as of December 31, 2014 – mainly due to the capital increases carried out in 2014. A dividend of € 83 million was paid out in the 2014 fiscal year for the year 2013. As of the 2014 reporting date, the equity ratio was 36 % (December 31, 2013: 43 %).

Net debt

€ million	2013	2014
Borrowings	547.7	1,365.0
Cash and cash equivalents	- 135.3	- 199.2
Net debt	412.4	1,165.8
Provisions for pensions and similar obligations	322.4	474.3
Net debt incl. provisions for pensions and similar obligations	744.8	1,640.1

The evaluation of compliance with the leverage covenants for the current and non-current borrowings is performed on the basis of the specifications in the various credit agreements. To determine the leverage covenants, the net debt is applied to the EBITDA(N) of the last 12 months. As information on the Diana Group based on the accounting standards used by Symrise is only available for the second half of 2014, the EBITDAN of the Diana Group based on reporting in accordance with French commercial law was used for the first six months to check that the leverage covenants had been adhered to. This amounts to net debt/EBITDAN of 2.2 and net debt incl. provisions for pensions and similar obligations/EBITDAN of 3.2. One of Symrise's fundamental principles is to maintain a strong capital base in order to retain the confidence of customers, investors and creditors and to be able to drive the future business development forward in a sustained manner. We focus on a capital structure that allows us to cover our future potential financing needs at reasonable conditions by way of the capital markets. This provides us with a guaranteed high level of independence, security and financial flexibility.

CAPITAL STRUCTURE

€ million	2013		2014		Change in %
		in % of balance sheet total		in % of balance sheet total	
Equity	951.1	43	1,432.2	36	51
Current liabilities	328.1	15	559.5	14	70
Non-current liabilities	931.3	42	2,008.1	50	116
Liabilities	1,259.4	57	2,567.6	64	104
Balance sheet total	2,210.4	100	3,999.8	100	81

The financing structure changed in 2014, particularly due to the acquisition of the Diana Group. Alongside of two successful capital increases, a € 500 million Eurobond with a five-year term was also issued to finance the transaction. All of the remaining financing needs were covered by an amortizing loan for € 225 million with a three-year term and the existing revolving credit line.

From the Opportunities and Risk Report

PRINCIPLES

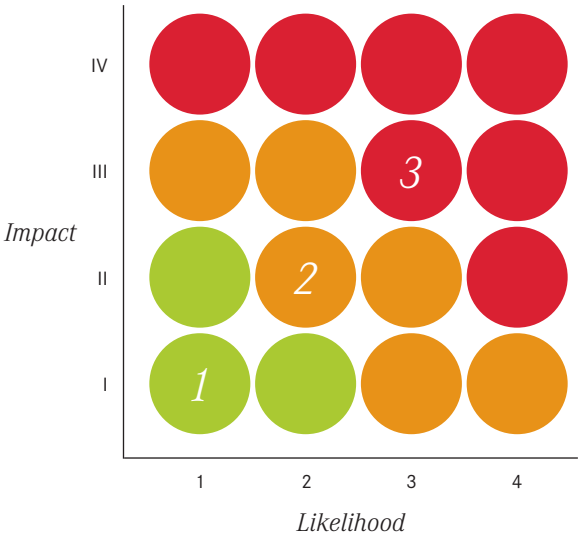
The Symrise Group's business activities offer a range of opportunities and, at the same time, are continually exposed to a number of risks. Opportunities relate to future developments or events that could lead to business performance exceeding the company's set forecasts or goals. Accordingly, risks relate to future developments or events that could lead to business performance that does not meet the company's forecasts or goals. Seizing opportunities as well as recognizing and avoiding risks at an early stage continue to be of key importance for the further development of Symrise in view of the increase size and complexity stemming from the acquisition of the Diana Group in the 2014 fiscal year. In taking advantage of opportunities, it is important that an acceptable risk profile is maintained. 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. Symrise uses its own guidelines and models to regulate the processes of risk management and provide employees with a firm foundation for dealing with risks. Every six months, all Group companies are instructed to verify the risks identified in their risk reporting and to make the necessary assessments and adjustments using the stipulated countermeasures. The effectiveness of implemented measures is checked as part of internal corporate audits. To minimize the financial effects of remaining risks, we acquire insurance if this is deemed economically sensible.

The following describes the opportunities and risks that could have a significant impact on the Symrise Group's net assets, financial position and results of operations in greater detail. If no segment is explicitly highlighted, the reporting of opportunities and risks applies to both segments equally.

OPPORTUNITIES MANAGEMENT

The Symrise corporate culture attaches importance to entrepreneurial thinking and acting. We value a high degree of responsibility in our employees. Therefore, in addition to the Executive Board, we encourage all Symrise employees, regardless of their area and scope of responsibility, to continuously seek and take

advantage of opportunities. Group companies are urged to identify opportunities on an operative level which, for example, arise within the framework of an operational activity or due to improved market conditions, and to realize these opportunities with the aim of achieving results that go beyond the scope of planning. Strategic opportunities are recorded in the two segments and in the Corporate Center. They are evaluated and plans are made to exploit them. Symrise's Executive Board is also responsible for discussing strategic opportunities on a regular basis. The risk management system that was established across the Symrise Group a few years ago is currently being expanded into a risk and rewards management system. This will result in the opportunities already being observed and integrated into strategic actions in the various segments of the Group being systematically registered with the company's risks. The exploitation of and reporting on opportunities benefits the network of officers within the Group that have already been reporting the risks in their segments for years as part of the risk management system.



Impact

I	- low	< 10% of sales
II	- medium	10 - < 20% of sales
III	- high	20 - 40% of sales
IV	- very high	> 40% of sales

Likelihood

1	- low	0 to 24%
2	- medium	25 to 49%
3	- high	50 to 74%
4	- very high	75 to 100%

RISK MANAGEMENT

The risk management system at Symrise is based on the framework of generally recognized standards (ISO 31000) and extends across all Group companies and business units. In the 2014 fiscal year, a risk assessment was performed for the companies in the Diana division. The Group-wide coordination of risk assessment occurs in the Corporate Center within the “Risk Management” department. Risk reports are drawn up for the individual companies and are then compiled into a current overview of the risk situation at the Group level. This Group risk report is passed on to the Executive Board and Supervisory Board of Symrise AG twice a year. There, potential risks are identified and classified according to their effect on profits (net method) as well as the probability of their occurrence.

The classification of all individual risks of each company in terms of their effect on the sales or “impact” (“low”, “medium”, “high” or “very high”) along with the probability of their occurrence or “likelihood” (also “low”, “medium”, “high” or “very high”) is used to determine whether a risk is to be considered as “low”, “medium” or “high”. The classes for “impact” break down as follows: An effect of less than 10% of the reporting unit’s annual sales is classified as “low”, 10 to 20% of sales as “medium”, 20 to 40% of sales as “high” and over 40% of sales as “very high”. Similarly, their “likelihood” is classified as “low” if its probability of occurrence is determined to be between 0 and 24%, “medium” if it is between 25 and 49%, “high” if it is between 50 and 74% and “very high” if it is 75% or higher.

The charts show how risks are finally classified (either as “low”, “medium” or “high”) depending on their “impact” and “likelihood”. For example, the risk represented in **field 1** would receive an overall classification of “low” as its impact is below 10% of sales and its likelihood below the 25% threshold. A risk in **field 2** would receive a “medium” classification as it has an impact between 10 and 20% of sales and a likelihood between 25 and 49%. However, a risk in **field 3** would receive a “high” classification as it has an impact between 20 and 40% of sales and a likelihood between 50 and 74%. The chart testifies of a high risk awareness and commercial prudence with the greatest number of fields being designated as high risks. Only 2% of the risks from across the Group listed in the current risk report are classified as “high” risks at the level of the individual company, and only 9% are classified as “medium” at the level of the individual company.

Alongside of the purely mathematical classification described above, identified risks are also classified qualitatively according to their risk type as well as by the business unit and activities affected. In addition, appropriate control mechanisms and the employees responsible for them are listed. As a result, the risk report also forms the basis for managing risks as well as for examination by the Group’s Corporate Audit. Additionally, the risk assessment is compared with the company’s strategy and the goals it derived from that strategy. The Executive Board informs the Supervisory Board or the auditing committee of the Supervisory Board and decides on additional measures for handling risks. Reporting thresholds for risks are oriented toward the financial effects on Group companies as well as the probability of the risk occurring. If a risk exceeds a certain reporting threshold, the Executive Board is informed immediately. These are risks that appear suddenly and have at least a medium to high probability of negatively impacting a Group company’s earnings by at least € 5 million or its annual sales by at least 20%. Similarly, a “hazard alert” is declared if a legal risk or compliance risk is discovered that was not previously contained in the regular risk reports submitted to Symrise AG’s Executive Board.

OVERALL ASSESSMENT OF OPPORTUNITY AND RISK SITUATION

In comparison to other sectors of industry and companies, Symrise’s business model and that of the Diana Group, which was acquired during the 2014 fiscal year, have an above-average potential for opportunities thanks to increasing private consumption and wealth across the globe. Many products serve to fulfill various basic human needs and desires, such as “health” and “youthful appearance,” that exist in every part of the world. The dynamic growth and high profitability of Symrise shows that these opportunities have been successfully taken advantage of. We will continue to follow this strategy in the future.

The entirety of the risks and rewards reported are assessed for possible aggregation effects for the Symrise Group. All relevant risks and rewards are uniformly evaluated across the Group from a quantitative and qualitative perspective in the dimensions of their degree of the impact on business operations, the Group’s financial position and results of operations and their probability of occurrence.

The evaluation and the handling of the risks is performed at the level of the individual company, as this corresponds to the decentralized business and management model of the Symrise Group. In the Group risk assessment, we have aggregated at the level of the respective categories and assigned the following amounts (for their respective impact on result after taxes) to the qualifications “low”, “medium” and “high”:

- “Low” corresponds to an amount up to € 20 million.
- “Medium” corresponds to an amount between greater than € 20 million and € 100 million.
- “High” corresponds to an amount greater than € 100 million.

These bandwidths are to be understood as the product of sales impact, probability of occurrence and EBITDA margin of risks, which corresponds to the methods described in the section Risk Management with respect to risks at the level of the individual companies.

The following risk profile for the Symrise Group in 2014 was established from the existing risk report and according to the methodology described:

Risk Profile	Group Risk Classification
Business Environment and Industry Risks	Low
Corporate Strategic Risks	Low
Economic Performance Risks	Low
Product Risks	Low
Procurement Risks	Low
Operating Risks	Low
Financial Risks	Low
Credit Risk	Low
Liquidity Risk	Low
Interest and Currency Risks	Low
Tax Risk	Low
Personnel Risks	Low
Legal Risks	Low
Compliance Risks	Low
IT Risks	Low

Based on the information currently available, we see no risk that could pose a threat to the continued existence of the company. Since the existing risk reporting and the Integrated Management System were supplemented by a system of integrated internal controls and effectiveness checks, the company expects to continue to meet all requirements in the future business environment and in view of changing legal regulations.

General Statement on the Company's Economic Situation

The Executive Board regards the Symrise Group's economic situation as positive. In 2014, we were again able to substantially increase our sales and net income. The company's financing is ensured for the medium term. Financial stability is sufficient in every way, even when considering the financing of the Diana acquisition. Pending the passing of the resolution at the Annual General Meeting, Symrise AG shareholders will participate in the company's success by receiving a higher dividend than in the previous year.

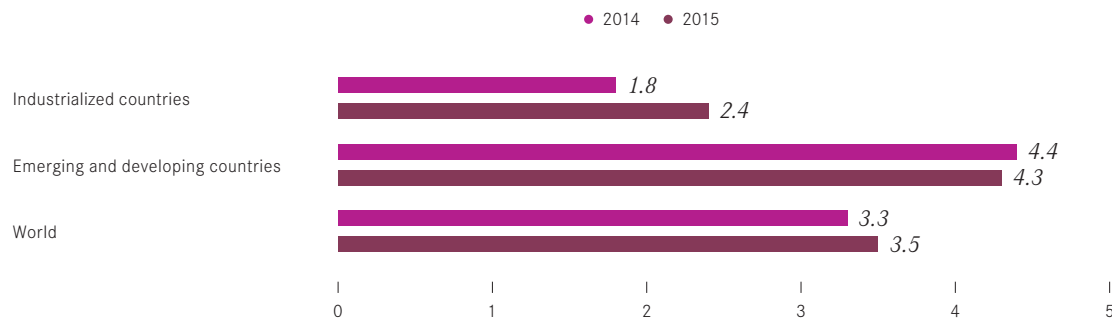
Outlook

FUTURE GENERAL CONDITIONS

The future development of the world economy in 2015 is not expected to have a major positive or negative effect on Symrise's business performance. The IMF forecasts a growth of 3.5% in global economic output for the current year – only slightly higher than that of the previous year (3.3%). It expects a continued slowdown in China's growth to 6.8%, which will likely have some impact on those engaging in trade with Asia's largest economy. Economic output in Russia is expected to fall by 3.0%. By contrast, the US economy is projected to grow 3.6% while the eurozone is likely to see further reserved growth of a modest 1.2%. However, this global snapshot is fraught with considerable risks: many of the political crises remain unresolved, the eurozone is facing new challenges from the ongoing debt problems in some countries and much lower oil prices could lead to upheavals in the world economy.

The AFF market relevant for Symrise reached a volume of € 20.5 billion in 2014. Of this amount, the sub-market for flavorings and fragrances accounts for about € 16.6 billion according to the most recent estimates by IAL Consultants (9th edition, Nov. 2014) while, according to our own estimates, the sub-market for aroma chemicals and cosmetic ingredients accounts for about € 3.9 billion. Symrise's long-term estimate is for an annual, aver-

GDP DEVELOPMENT 2014/2015 in %



Source: IMF

age growth rate of about 2 to 3% for the sub-markets for flavorings and fragrances. Particularly the markets in Latin America and Asia could perform above average.

For the 2015 fiscal year, we also expect a high degree of volatility for raw material costs, as in the previous year. The fluctuations observed in individual markets point to very different developments depending on the raw materials segment. Based on estimates for each raw materials segment, Symrise has selected different contract periods or spot sourcing in order to optimize costs and predictability. This is accompanied by an optimization of the raw materials portfolio. Particularly high volatility is expected in 2015 in the areas of citrus derivatives, spices and special natural chemicals (in particular due to the stricter definition of “EU-Naturalness”). In addition, the situation with citral and terpene derivatives is mixed due to increasing demand, especially in the emerging markets. For instance, some shortages and therefore increasing prices are to be expected with the citral derivatives, while prices for terpene derivatives should remain stable thanks to sufficient availability. In the areas of menthols, Symrise’s good positioning with our backward integration is working.

For the 2015 fiscal year, a moderate development of energy costs is to be expected. This is a result of the declining price of oil, which has been falling since the summer of 2014 and is likely to continue in 2015. With energy prices, the lower procurement prices on the EEX energy exchange and a dropping EEG tax should also lead to slight relief. Symrise aims to positively influence the company’s energy costs with a combination of different measures for procuring electricity and a robust energy management system.

FUTURE CORPORATE DEVELOPMENT

For 2015, Symrise is reaffirming its long-term growth and profitability goals. The Group remains confident that it will continue to grow at a faster pace than the relevant market for fragrances and flavors. According to our own estimates and corporate data, the AFF market is expected to grow by 2 to 3% worldwide for the current year. Both segments, Scent & Care and Flavor & Nutrition, each continue to expect sales growth at local currency notably above the market rate.

The strict cost management and focus on high-margin business will be continued to further increase earnings. This includes initiatives such as consistent price management and the development of innovative products and technologies. Assuming that raw materials prices remain at the level of 2014 and exchange rates do not change significantly from 2014, the company once again anticipates an EBITDA margin of about 20% for both segments in 2015. The ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be below 3.0 in 2015. In the medium-term, we are aiming for a return to our targeted debt range of 2.0 to 2.5.

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

GENERAL STATEMENT ON THE COMPANY’S EXPECTED DEVELOPMENT

The Executive Board at Symrise AG sees the company as being optimally positioned to continue developing in core segments and growth regions. We view the achievement of our set goals as confirmation of our proven strategy. These successes motivate

Corporate Governance Statement

us for the upcoming year. The three pillars of our strategy remain unchanged. They stand for the continued improvement of our competitive position and the sustainable expansion of our business.

- **Growth:** We strengthen our cooperation with our customers around the world and expand our business in the emerging markets.
- **Efficiency:** We constantly work to improve our processes and concentrate on products with a high level of value creation. We work cost-consciously in every division.
- **Portfolio:** We tap into new markets and segments. To achieve this, we continue to expand our expertise in the areas of nutrition and care.

In 2014, Symrise tapped into additional growth potential thanks to the acquisition of Diana. Symrise aims to grow primarily organically, however. Where it is sensible and creates added value, we will also – as was the case with Diana – make acquisitions or forge strategic alliances to ensure ourselves access to new technologies, new markets and customers or to ensure that we can obtain scarce raw materials.

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

Consolidated Income Statement with Specific Influences from M & A and PPA Presented Separately

T€	2013	2014 normalized	Specific influ- ences M & A*	Specific influ- ences PPA**	2014
Sales	1,830,386	2,120,107	0	0	2,120,107
Cost of sales	- 1,059,548	- 1,218,093	- 3,816	- 9,795	- 1,231,704
Gross profit	770,838	902,014	- 3,816	- 9,795	888,403
Other operating income	16,065	29,064	0	0	29,064
Selling and marketing expenses	- 289,964	- 340,403	- 4,800	0	- 345,203
Research and development expenses	- 126,995	- 138,888	- 462	0	- 139,350
Administration expenses	- 85,028	- 109,369	- 10,911	0	- 120,280
Other operating expenses	- 1,789	- 4,554	0	0	- 4,554
Income from operations/EBIT	283,127	337,864	- 19,989	- 9,795	308,080
Financial income	1,522	2,746	0	0	2,746
Financial expenses	- 38,795	- 43,290	- 7,826	0	- 51,116
Financial result	- 37,273	- 40,544	- 7,826	0	- 48,370
Income before income taxes	245,854	297,320	- 27,815	- 9,795	259,710
Income tax expense	- 73,519	- 83,908	7,698	3,267	- 72,943
Net income	172,335	213,412	- 20,117	- 6,528	186,767
of which attributable to the shareholders of Symrise AG	172,335	211,645	- 20,117	- 6,528	185,000
of which attributable to non-controlling interests	0	1,767	0	0	1,767
Earnings per share (€)					
- diluted and basic	1.46	1.69			1.48

* One-time effects in M & A include the one-off non-recurring specific influences from transaction and integration costs as well as one-off valuation effects related to business combinations of Diana and Probi (see note 27).

** As part of the purchase price allocation for Diana, the acquired inventories were to be recognized at their fair values. This identification of hidden reserves was reversed in the fiscal year under review.

Consolidated Statement of Financial Position

T€	December 31, 2013	December 31, 2014
ASSETS		
Current assets		
Cash and cash equivalents	135,343	199,228
Trade receivables	321,547	421,052
Inventories	368,567	484,690
Other assets and receivables	36,246	72,183
Financial assets	2,324	6,738
Current tax assets	8,341	11,576
	872,368	1,195,467
Non-current assets		
Deferred tax assets	46,192	81,294
Other assets and receivables	7,107	26,585
Financial assets	15,112	20,300
Investments in associates	15,082	0
Investment property	2,583	2,182
Intangible assets	812,356	2,034,325
Property, plant and equipment	439,622	639,683
	1,338,054	2,804,369
TOTAL ASSETS	2,210,422	3,999,836

Consolidated Statement of Financial Position

T€	December 31, 2013	December 31, 2014
LIABILITIES		
Current liabilities		
Trade payables	150,799	213,527
Borrowings	40,999	120,319
Other liabilities	75,921	132,123
Other provisions	5,048	9,886
Financial liabilities	4,003	10,535
Current tax liabilities	51,332	73,171
	328,102	559,561
Non-current liabilities		
Borrowings	506,741	1,244,659
Other liabilities	1,987	4,417
Other provisions	14,538	18,940
Provisions for pensions and similar obligations	332,400	474,303
Financial liabilities	6,968	9,125
Deferred tax liabilities	68,399	240,914
Current tax liabilities	224	15,744
	931,257	2,008,102
TOTAL LIABILITIES	1,259,359	2,567,663
EQUITY		
Share capital	118,173	129,813
Capital reserve	970,911	1,375,957
Revaluation reserve	2,735	2,735
Fair value reserve	- 12	31
Cash flow hedge reserve (currency hedges)	133	- 278
Reserve for remeasurements (pensions)	- 80,543	- 169,159
Cumulative translation differences	- 70,553	- 37,075
Accumulated profit	10,219	112,169
Symrise AG shareholders' equity	951,063	1,414,193
Non-controlling interests	0	17,980
TOTAL EQUITY	951,063	1,432,173
LIABILITIES AND EQUITY	2,210,422	3,999,836



Financial Calendar

MARCH 10, 2015

Corporate and Financial Report 2014

MAY 5, 2015

Interim Report January – March 2015

MAY 12, 2015

Annual General Meeting, Holzminden

AUGUST 5, 2015

Interim Report January – June 2015

NOVEMBER 10, 2015

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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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