

Sharing values

Growing **Together**

Corporate Report
2015



Key Figures of the Group

		2011	2012	2013	2014	2015
Business						
Sales	€ million	1,583.6	1,734.9	1,830.4	2,120.1	2,601.7
EBITDA ¹	€ million	315.9	338.9	373.1	464.5	572.2
EBITDA margin ¹	in %	20.0	19.5	20.4	21.9	22.0
EBIT ¹	€ million	234.4	252.6	283.1	337.9	395.2
EBIT margin ¹	in %	14.8	14.6	15.5	15.9	15.2
Net income ¹	€ million	146.5	157.5	172.3	211.6	246.8
Balance sheet total (as of December 31)	€ million	2,120.3 ²	2,150.2 ²	2,210.4	3,999.8	4,183.8
Capital ratio (as of December 31)	in %	40.9 ²	40.9 ²	43.0	35.8	38.0
Investments (without M & A)	€ million	67.3	70.3	70.7	101.3	147.2
Net debt (incl. pension provisions and similar obligations) / EBITDA (as of December 31) ¹	ratio	2.4 ²	2.4 ²	2.0	3.2	2.8
Research and development expenses ¹	€ million	107.6	113.8	127.0	138.9	169.6
Operating cash flow	€ million	200.9	219.5	274.8	343.2	375.2
Capital Market						
Shares issued as of balance sheet date	millions	118.2	118.2	118.2	129.8	129.8
Share price at end of fiscal year (Xetra® closing price)	in €	20.62	27.12	33.50	50.13	61.33
Market capitalization at end of fiscal year	€ million	2,436.7	3,204.9	3,958.8	6,507.5	7,961.4
Earnings per share ¹	in €	1.24	1.33	1.46	1.69	1.90
Dividend per share	in €	0.62	0.65	0.70	0.75	0.80 ³
Environment						
Carbon dioxide emissions (Scope 1 and Scope 2) ⁴	in t	251.61	240.51	226.00	201.76 ⁵	185.25
Chemical oxygen demand (COD) in wastewater ⁴	in t	6.47	5.73	5.68	4.96 ⁵	4.68
Sensitive waste ⁴	in t	18.74	16.51	14.99	15.90 ⁵	14.00
Employees						
Employees (as of December 31)	FTE ⁶	5,434	5,669	5,959	8,160	8,301
Fluctuation rate	in %	5.5	5.3	4.4	4.8	5.1
Number of accidents	MAQ ⁷	3.2	5.3	5.3	4.8	3.9

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 (excluding Diana and backward integration)

⁵ figures from previous years have been adjusted

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

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



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

People from various backgrounds are connected to each other in a complex network and share common values. This is the basis for Symrise's success: We are creative, constantly striving to provide the highest level of quality and sustainability. In this way we seek to fulfill our motto of "always inspiring more..." day after day.

Growing **Together**

Symrise is growing – faster and more profitably than the market. In order to maintain our leading global position, we aim to collaborate more closely with others and expand our scope of thinking and working. The exchange of ideas and experiences with internal and external partners – and the inclusion of all stakeholders with their various interests – results in innovative and sustainable solutions that make Symrise unmistakable.

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This print publication is an abridged version.
The online report with a wide variety of additional
information is available at cr2015.symrise.com.

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Dear readers and friends of Symrise,

the more energetically a company's employees exchange their ideas across divisions and national borders, the more they share their experiences and competencies and work on projects together, then the more innovative and customer-oriented – and thereby more successful – the company will be. Symrise has made this networked way of working and acting part of its mission. We have compiled some examples of this in our Corporate Report for the 2015 fiscal year.

The exchange of ideas and experiences at Symrise goes even beyond the company itself, however. It includes customers, cooperation partners and, as an example of suppliers, entire village communities in the Amazon region (see page 34).

Business success and sustainability are not mutually exclusive. In fact, they complement and strengthen each other if an integrated – and networked – approach is taken right from the beginning. As a UN Global Compact participant, we actively support its principles concerning responsible business. This is proved by our integrated corporate strategy (see page 8) and the Symrise Sustainability Record (see page 80). Our business success is also demonstrated in our Group management report and consolidated financial statements for the 2015 fiscal year. It is evidenced by a significant growth in sales beyond market developments of 23 % to € 2.6 billion. And an operating result at an all-time high of € 572 million while maintaining an EBITDA margin of 22.0 %. Symrise is one of the leading international companies in its industry.

The world is currently going through turbulent times. The peaceful lives and well-being of people are threatened on many sides. A lot can be achieved through cooperation, consideration of the needs of others and trusting partnerships that reach beyond cultural barriers. In our company and in our field, we have set this as a goal for ourselves, which is clear from many of the articles in this Corporate Report.

We hope you enjoy reading the Symrise Corporate Report for 2015.

Your Global Management Committee

»Growing together includes many aspects that we all make use of to further develop our company in a sustainable and profitable way.«



SYMRISE'S GLOBAL MANAGEMENT COMMITTEE (from left to right)

*Dr. Heinz-Jürgen Bertram, CEO and President Flavor & Nutrition • Heinrich Schaper, Flavors Division •
Achim Daub, President Scent & Care • Olaf Klinger, CFO • Dr. Jean-Yves Parisot, Diana Division •
Dr. Norbert Richter, Aroma Molecules Division • Eder Ramos, Cosmetic Ingredients Division*

Our Company

Symrise's products provide exciting flavor and fragrance experiences and contribute to the health and well-being of consumers in 160 countries around the world. Shared ways of thinking and acting both within the company and beyond are the basis for our high level of innovation and sustainable, profitable growth.

Symrise develops, produces and sells fragrances and flavorings, cosmetic active ingredients and raw materials as well as functional ingredients and solutions that enhance the sensory properties and nutrition of various products. Our company's nearly 30,000 products are mainly produced on the basis of natural raw materials like vanilla, citrus fruits, onions, fish, meat, blossoms and plant materials. Our flavors, substances, perfume oils and sensory solutions are often central functional components for our customers' end products. These customers include manufacturers of perfumes, cosmetics and foods, the pharmaceutical industry and producers of nutritional supplements, pet food and baby food. Although most consumers would not recognize Symrise, our products can be found in most households.

Our company's origins go back to the year 1874. Symrise has since grown to achieve a market share of currently 12 % – making it the third largest supplier of flavors and fragrances on the global market. A high level of innovation and creativity, an exact knowledge of customer needs and various regional consumer preferences as well as targeted expansion into new and promising market segments contribute to our company's above-average growth rate. Today, Symrise has sites in more than 40 countries, serving over 6,000 customers in roughly 160 countries.

Symrise's success stems from the efforts of its approximately 8,300 employees. They can be found on every continent, working in various areas like research and development, production and technology or marketing and sales, and yet they are closely tied to the Symrise

network – allowing them to share ideas and insights while taking advantage of synergies. We are always seeking to simplify and thereby accelerate the processes in our company, while making them more customer-oriented and pragmatic. Fast and flexible decision-making is particularly important to us. At the same time, we depend on our employees' commitment and willingness to take on new responsibilities.

Symrise's growth is primarily organic. We complement this growth by acquiring attractive companies that bring additional competencies into the Group and provide us with access to new market segments and customer groups. We also enter into strategic partnerships to develop new products. In 2014, the acquisition of the French Diana Group represented a strategic milestone for Symrise in its efforts to expand its market position in the Flavor & Nutrition segment, intensify backward integration for raw materials and enter the highly attractive market segment for pet foods. Symrise also deepened its cooperation with the Swedish company Probi AB, a manufacturer of probiotic cultures for beverages, milk products and nutritional supplements. In 2015, Symrise bolstered its activities in the Scent & Care segment with the acquisition of the US-based company Pinoa Holdings Inc., a leading provider of ingredients made from natural and renewable raw materials that are mainly used in the manufacture of perfumes and fragrances as well as in oral care products. With the acquisition of the California-based company Flavor Infusion, Symrise diversified its portfolio of natural beverage flavors.

Symrise

Segments

FLAVOR & NUTRITION

SCENT & CARE

Divisions

Flavors



Diana



Fragrances



Cosmetic Ingredients



Aroma Molecules



Business Units

Beverages

Food

Fine
Fragrances

Cosmetic
Ingredients

Fragrance &
Sensory
Ingredients

Savory

Pet Food

Personal
Care

UV
Filters

Performance
Specialties

Sweet

Nova

Household

Oral Care

Group structure as of January 2016

The operating activities of the Symrise Group break down into two segments: Flavor & Nutrition and Scent & Care. The Flavor & Nutrition segment consists of two divisions: Flavors and Diana. The Scent & Care segment has three divisions: Fragrances, Cosmetic Ingredients and Aroma Molecules. The divisions are organized according to business units and regions.

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

Our Values, Our Goals, **Our Responsibility**

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

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

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

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

Sharing values –
growing together.

OUR MISSION*What is our mission?*

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

OUR VISION*What drives us forward?*

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

OUR STRATEGY*What makes us successful?*

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

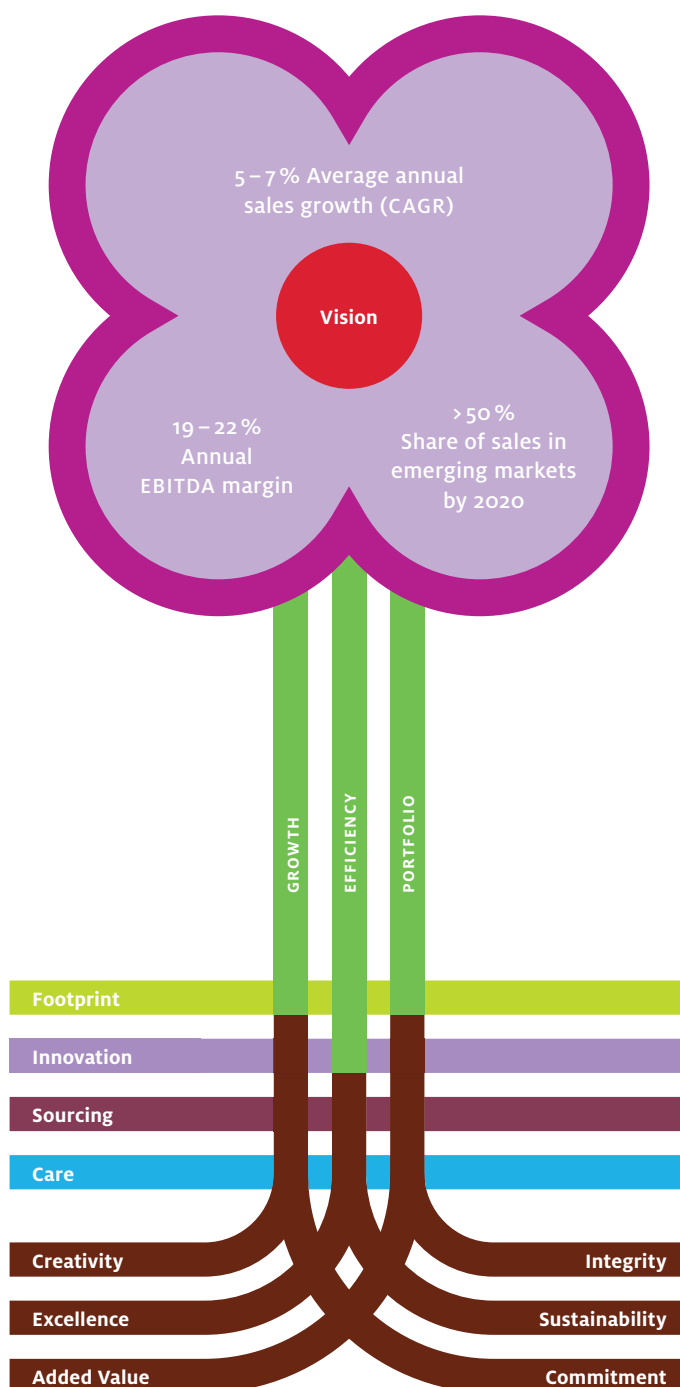
SUSTAINABILITY*How do we implement it?*

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

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

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

Our Integrated Corporate Strategy for Exciting Taste and Fragrance Experiences and Sustainable Growth



Financial
Performance:

Non-financial
Performance:

Our 2015 Track **Record**

As in previous years, Symrise grew faster than the market in 2015. We remain one of the most profitable companies in the industry. Targeted business combinations and significant investments in capacity expansion and process optimization further strengthened our business model. The company's financial position is solid. We managed to increase our sustainability performance by reducing our footprint, expanding backward integration and introducing new programs for employee development and advancement.



Economy

18 % sales growth at local currency (2012–2020 target: CAGR 5–7 %)

22.0 % EBITDA margin (2012–2020 target: 19–22 %)

46 % share of sales for emerging markets (2020 target: > 50 %)

38 % equity ratio



Footprint

Climate Protection:

– 29.4 % greenhouse gas emissions (Scope 1 + 2)

(2010 – 2020 target: – 33 %)

•

Process Yield:

– 21.5 % chemical oxygen demand in wastewater

(2010 – 2020 target: – 33 %)

•

Resource Efficiency:

– 36.3 % sensitive waste

(2010 – 2020 target: – 33 %)



Innovation

Innovative Strength:

Reduced process costs via Group-wide introduction of the Evoclean system in spray drying

25 % share of the IP Index in the industry (with 12 % market share)

35 patents submitted
(2020 target: > 25 p.a.)

•

Responsible Innovation:

Further integration of biodiversity in our research and purchasing processes

(2020 target: integration of aspects of biodiversity in our business processes)



Sourcing

Sustainable Sourcing:

We evaluate 82 % of our main suppliers by sustainability criteria

(2020 target: 100 % of main suppliers evaluated)

•

Backward Integration and Biodiversity:

Sustainable use of biodiversity via cooperation with village communities in the Amazon region and in Madagascar

Insourcing agricultural raw materials via Diana



Care

Employer of Choice:

5.1 % employee fluctuation rate

(2020 target: < 4.8 %)

•

Health and Safety:

3.9 MAQ *

accident frequency

(2020 target: MAQ * 2.0)

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

* MAQ = Accidents (>1 work day)
x 1 million / working hours.

Our Highlights 2015

FTSE4Good Index

Membership Confirmed in FTSE4Good Index

In June 2015, Symrise underwent a scheduled review by the prominent international index provider FTSE. In the course of this, the index confirmed Symrise's membership in the FTSE4Good index. FTSE provides financial market participants with security indices that cater to specific investment goals. The FTSE4Good index features securities from companies with top performance in sustainability and corporate governance (ESG). It is highly regarded by ESG investors.

UN Girl Up Leadership Summit

Symrise acted as a co-sponsor for the Girl Up Leadership Summit of the United Nations Foundation that took place in Washington D.C., USA this past July. The UN initiative Girl Up promotes girls' education worldwide. 225 participants from around the world met under the motto "Stand Up. Speak Up. Rise Up." Its most prominent speaker was First Lady of the USA Michelle Obama.

EXPANDED PRODUCTION PLANT FOR COSMETIC INGREDIENTS

Symrise has strengthened its position as a solutions provider for cosmetics with its expanded production plant for cosmetic ingredients. The plant has started operations in

September 2015. With the €15 million investment in Holzminden, the company substantially increased its production capacities, gained greater flexibility in production, pooled more production steps at its own plant and reduced its energy consumption. At the same time, it increased yields and production quality – an excellent example of our sustainable growth strategy.

Impressive Growth in Scent & Care

Symrise boosted its activities in the Scent & Care segment with the acquisition of Pinova Holdings Inc. (Brunswick, Georgia, USA). The company, which generated sales of USD 287 million in 2014, is an internationally leading supplier of ingredients from natural and renewable raw materials, for instance, based on wood and orange oils. It also manufactures cooling substances that are used in connection with menthol-based products – for example, in oral care or chewing gums. The purchase price amounted to USD 397 million. By 2020, annual synergies of roughly € 20 million are expected.

SYMRISE RECEIVES HIGHEST POSSIBLE CDP CLIMATE SCORE: 100 A

The Carbon Disclosure Project (CDP) includes more than 5,500 companies worldwide. In November 2015, it welcomed Symrise to its Climate A List. This means Symrise currently belongs to the Top 100 companies globally in terms of transparency of its climate activities. The scoring also accounts for goals, strategies and measures taken to combat climate change. In addition, when it comes to environmental reporting, Symrise plays a leading role in the MDAX® and within its industry in Germany, Austria and Switzerland.

Energy-efficient Lavender Procurement

Lavender from the “Alpes de Haute Provence” in Southern France is one of the most important raw materials used in perfumes. Symrise procures large amounts of natural lavender oil from this area. With its support for the regional research institute, Symrise is contributing to reduced energy consumption in the harvest and distillation of lavender.

Successful Trade Fair Appearance at the in-cosmetics 2015

At the in-cosmetics 2015 in Barcelona, the largest specialist trade fair for cosmetic ingredients, Symrise presented a wide range of innovative ingredients that received a great deal of attention. The ingredients included formulation ideas for sensitive skin, adapted to the various skin types that exist around the world. Further examples included plant juices with particularly high antioxidant properties and skin-soothing characteristics or blossom extracts for personal, hair and facial care products.

Improving Life for 272 Million Cats

Diana Pet Food and the biotechnology company BRAIN entered a strategic partnership on taste research for cats. Based on the BRAIN technology “Cat Taste Cells” (CTC), the partner companies are searching for new ingredients to improve the taste of cat food. A big deal: The worldwide market volume for pet food is € 53 billion.

Expansion of the Product Range for Natural Beverages

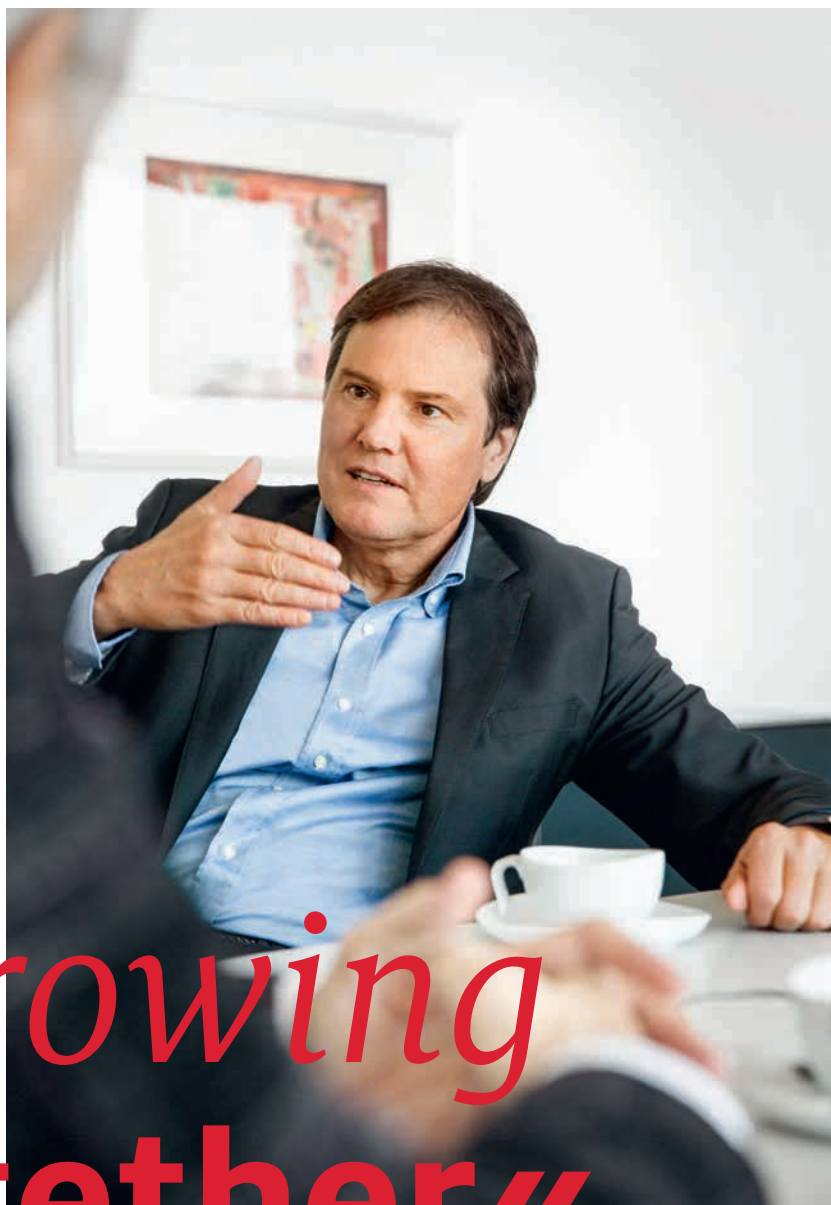
With the acquisition of the California-based company Flavor Infusion, Symrise expanded its product range for beverage applications, particularly in the flavored mineral water segment. With this purchase, Symrise has acquired comprehensive know-how and established products and a substantial customer base in the dynamically growing US beverage market.

New Production Site in the Amazon Region

In May 2015 Symrise opened a new production site Symrise Amazon Ecoparque in the Amazon region of Brazil (Belém, Pará). The diverse flora of the rainforest is being systematically evaluated in a sustainable manner for possible use in global beauty care products, such as oils and butters for perfumes and cosmetics.

€ 500 Million in Growth Financing

Symrise issued a € 500 million promissory note loan with international investors in November. The funds will finance the acquisition of Pinova Holdings and other growth projects. Due to very high investor demand, the originally planned total amount issued of € 250 million was doubled, and the terms for the three tranches of five, seven and ten years are very favorable.



»Growing Together«

Dr. Bertram, what does that mean to you?

The goal is clearly formulated: Symrise wants to further increase its success in the coming years. Not on its own, but closely and transparently with customers, suppliers, partners and its employees. Here, CEO Dr. Heinz-Jürgen Bertram describes how the company plans to sustainably and profitably achieve these goals.

Dr. Bertram, Symrise once again performed at a high level with sales of € 2.6 billion, earnings of € 572 million and an EBITDA margin of 22.0 percent. How do you explain this success?

We substantially expanded our competencies in the past year and tapped into new growth fields. Now we must focus on connecting these new application areas with the traditional ones. That is why we are pushing interconnectedness across all levels – with our customers, suppliers and of course within the company. We also managed to expand our market position in every region and have further built upon the extensive trust that customers already had for us. Here, we always keep the twin ideals of sustainability and economic success in view. At the same time, we bolstered our portfolio, both in terms of content and regions, so that we can better react to the political and economic uncertainties in some countries. Last, but not least, we strengthened our innovative abilities via cooperation within the company and with external partners.

Let's look at the individual areas. How exactly did you optimize the portfolio?

Not too long ago, we were strictly considered a supplier of fragrances and flavors. Today, we cover a much larger spectrum of products that optimally complement one another. With the acquisition of the French company Diana, with whom we have just completed our first full fiscal year together, we were not only able to increase sales, but also expanded our range of offers to cover the entire family. By adding baby food and key ingredients for pet foods, we now serve completely new consumer groups and market segments. We are also using Diana's broad range of natural, sustainably grown raw materials for many joint projects.

Speaking of acquisitions, you acquired the US company Pinova in 2015. How will Symrise benefit from this?

We now have access to an extensive palette of fragrances made from renewable raw materials. It also gave us entry into new product areas. At the same time, we could strengthen important competencies, like oral care, where we were already the established market leader. We also tightly link these new developments to our more traditional segments. For instance, we combine active ingredients for cosmetics with our perfume compositions, as well as probiotics with oral care products, or use functional ingredients in foods. All these combinations open up new segments for us. Here, we rely on the innovative strength of our employees, who cooperate across departments, divisions and continents. This increases our diversity and lets us continue growing faster than the market for fragrances and flavors.

Acquisitions expand your raw materials basis and know-how within the company. But how are you connecting with your customers?

We have always maintained a trusting relationship with our customers. These companies produce foods, perfumes and cosmetics with our products. In recent years, we have worked even more closely with them. This means engaging with them at even earlier stages in projects and developing solutions in even closer cooperation. This starts at the innovation phase and continues well beyond the stage of process optimization. Furthermore, we have expanded our market research so we now better understand consumer wishes and needs. The result is more refined solutions in product development.

You previously mentioned the close relationship between economic success and sustainability. How do you keep the latter from becoming merely hot air?

By constantly assessing every step along the value chain in view of this aspect. That starts with the raw materials. We source them from around the world and often from less developed nations. Take vanilla for example. Here, we ensure that the farmers are paid a fair price for their goods and that environmental aspects are considered in the growing process. We also ensure that absolutely no child labor occurs. Over the past ten years, we have been committed to improving education and healthcare in Madagascar, where our vanilla is grown.



We have established production facilities there that meet the environmental standards of the developed world. More than 30,000 people depend on Symrise for their livelihood there. Something similar is being developed in the Amazon region in Brazil. We established a site in the rainforest that researches new, sustainable raw materials for perfumes in close cooperation with Brazil's top cosmetics manufacturer Natura. At the same time, many families in the region are benefiting from our commitments there.

What goals do you have for the coming years?

We want to continue achieving sales and earnings growth between 5 and 7 % and a profit margin between 19 and 22 % through 2020. These are ambitious goals. Achieving them will require us to continue building on the three pillars of our corporate strategy: growing together with select customers and in clearly defined markets, improving the efficiency of our processes and sustainably expanding our portfolio through acquisitions and investments in companies wherever this makes sense. Furthermore, we will reduce our CO₂ emissions, wastewater and other sensitive wastes by a third through the constant refinement of our processes by 2020. We have multiple teams that are focused on achieving these goals. The international non-profit organization Carbon Disclosure Project had good reasons for ranking us as the leading company in the Energy and Materials sector for the Germany-Austria-Switzerland region and MDAX® last year. It also placed us among the top 100 companies in the world for our transparency and activities in this area.

»We work even more closely with our customers, engage with them at even earlier stages in projects and develop solutions in even closer cooperation.«

Collaboration in the Group

When it comes to providing customers and consumers with the best products, the Symrise network knows no bounds – transcending continents and countries, divisions and departments.

The Whole *is Greater* **than the Sum** **of its** **Parts**

When teams from different areas collaborate, successful and forward-looking projects are often the result. Symrise can point to dozens of examples of this kind of cooperation, which have created innovative taste compositions along with novel fragrance and care experiences.



When it comes to product development, Thomas Couëpel, Global Product Manager Meat and Seafood at Diana, prefers working directly over the stove.

In Diana's laboratory kitchen in the French city of Rennes, steam rises from a pot in which carrots, leek, celery and an entire chicken are cooking in boiling water. The taste of skin, fat, meat and bones is slowly drawn into the salted liquid until a flavorful chicken bouillon – both delicious and comforting – is created over the course of nearly two hours. Thomas Couëpel, Global Product Manager Meat and Seafood, takes notable pleasure in tasting the dish, but not just out of a love of food. Once again, he compares his sensory impressions with the taste sensations developed in the “Innomeat” project. In this project Couëpel and his team, including new Symrise colleagues from the group working on natural flavor complexes, are further developing the extracts, meat powder and fats from the Diana portfolio.

“Innomeat” is one of several dozen subjects that has grown out of the program called Good Food, Great Experience. The program serves as a framework in which the two companies, which used to work independently of one another, have been able to establish even more added value for the customer through unifying their know-how. This covers a range of subjects that combine their expertise in raw ma-

terials, their innovative technologies, and knowledge of consumers, trends and markets – all resulting in outstanding and unique product solutions. The way this works is evident in the test kitchen in Rennes. “The feedback with regard to our extracts – such as bouillons and broths – has always been positive. We have covered a wide spectrum of tastes that we can now work on improving together,” says Thomas Couëpel about the cooperation. Our customers in Asia, for example, prefer a very intense and also quite special experience in which notes of boiled chicken emerge as a particularly strong flavor component.”

Not an easy task, says Couëpel, if you want to remain committed to using only natural raw materials. With these raw materials, Diana has become Europe's market leader. Specifically, Diana produces an entire range of natural extracts and concentrates for the food industry from the whole chicken – the entire skeleton including flesh, fat and skin fragments. “In general, a broth is cooked and then delivered in a thickened form to food manufacturers,” says Jens Koch from Symrise, who, with his French colleagues, has accompanied the process from the start.



At the pilot facility in the French city of Rennes, Thomas Couëpel tests the first products from the Innomeat project.

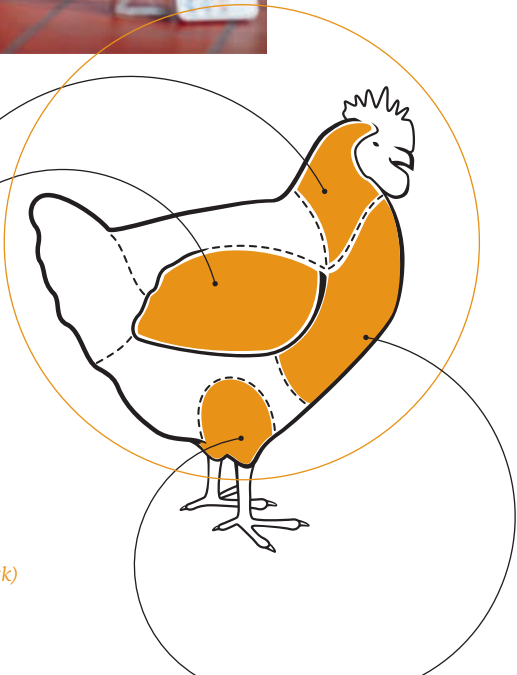


Jens Koch is responsible for Symrise's shared innovation process.

Chicken fat
- developed from the chicken skin and the fat particles in the chicken meat



Chicken broth, concentrated and as stock
- developed from the animal's remains (chicken wings and neck)



Chicken powder
- produced from stock developed from the white meat of the chicken breast and the dark meat of the drumstick

Backward integration

- 1 – *Diana produces the meat extract*
- 2 – *Symrise uses the product, no longer having to buy it from other suppliers*
- 3 – *The product's traceability and quality are easier to guarantee*
- 4 – *Simultaneously, purchasing amounts become more manageable*

"Together we looked at the individual components that are used in production and brought in our know-how when it comes to something called reaction flavors. Now we want to find out how the taste develops in the broth when the molecules of white and dark meat, skin, fat and other components react with each other," Koch explains. "Here are two examples: Take the light-colored breast meat; that has an umami taste, while the flavor of leg meat has livery and bony elements."

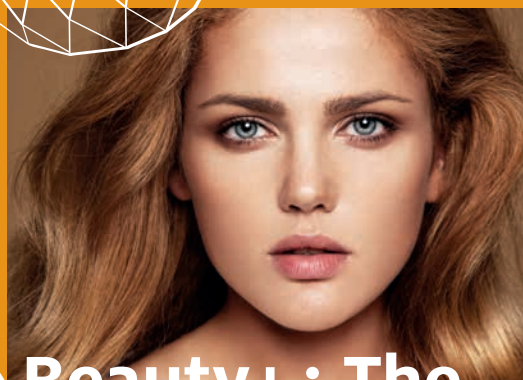
The manager for natural flavor complexes at Symrise is holding a bowl in his hand that contains a dark paste: hydrolyzed meat from France, which has been reduced to proteins, peptides and amino acids by way of an enzymatic process. "This way we are better able to analyze and also further process individual components," Koch explains. He has cooked and fried the paste-like meat, mixing it with fat and concentrated spices to see how they combine and react to each other. "This allows us to develop completely different flavor combinations for our customers' needs with a purely natural product."

Thomas Couëpel also sees big benefits. "Since our integration within the Symrise Group, we are able to act in a much more agile fashion and simultaneously work on joint projects in teams with colleagues and technologies from both sides," he says. "We have received very positive customer feedback with regard to the initial prototypes." In a poultry stock a special building block can be brought out that tastes like boiled chicken (especially popular in Asia) or roasted meat that has been marinated.

But the collaboration has also resulted in an entirely different kind of added value. With Diana, Symrise is able to achieve backward integration of an important raw material. "In order to develop intense chicken flavors, we used to purchase meat extract from various manufacturers," says Jens Koch. "Now we have in-house production of it." A transfer of knowledge also takes place in the other direction. Technologies from Holzminden are directly incorporated into the process in France, for instance. "We have already been able to directly implement 10 to 15 products in this way," explains Koch. "This allows us to make use of valuable materials in a much more sustainable and economical way."

Where Performance Meets Indulgence

State-of-the-art sunscreens that thoroughly protect against UV radiation while simultaneously having an impact with pleasant fragrances answering various cultural needs. Fragrant, skin-sensitive deodorants that last a particularly long time and guarantee odor control and skin care that answers the needs of even the most sensitive skin. Skin-brightening solutions that work efficiently and safely with a very pleasant smell. These are three examples of products that offer dual fragrance and cosmetic solutions in one product, and they stand for a whole line of unique and innovative products that Symrise has developed in the past 18 months. Notably, these smart and efficient solutions that meet the needs of both cosmetic producers and consumers are part of Beauty+, a cross-divisional program that unites the best of cosmetics and fragrances. The collaboration between the diverse teams from Cosmetic Ingredients and Fragrances began about ten years ago, when the previously separate business units were united within the segment Scent & Care. As part of the new segment, Symrise colleagues brought together their know-how from around the world. Together they offer customers one-stop shopping that ensures their products make it on the market quickly. Traditionally, Cosmetic Ingredients stands for a scientific approach that resulted in safe, innovative and efficient products. In the Fragrances area, conversely, creativity has always been a key driver, and now this has been combined with scent performance. Since they came together, their collaborations have resulted in increasing numbers of high-end products, such as those described above. They follow a trend that particularly drives consumers these days – they want efficient beauty care and perfumed products that are highly innovative while offering a sensual indulgence. Beauty+ has succeeded in translating this evolution into exciting new products and ideas. This program has demonstrated time and time again that innovation and creation belong together inseparably – and that Symrise is a pioneering leader in this unique approach, which simplifies our clients and partners' lives.



» **Beauty+ : The cross-divisional program combines the best of cosmetics and fragrance.** «



Fragrances and innovative ingredients offer customers a lot of added value.



Crossing **Boundaries**

More than 120 employees at Symrise are currently working at sites outside their home countries. They contribute their know-how, learn about foreign markets and ensure a deep transfer of knowledge that benefits them individually along with the company as a whole.



123 employees abroad

A total of 123 expatriates work at foreign sites – either within their own region or in other ones. Their foreign assignments can last from a few months to multiple years.

A Russian colleague has lived in Nördlingen for three years and is responsible for the tea portfolio. Two junior staff members from Egypt work in the Sweet business unit in Holzminden and Dubai, and were promoted very quickly due to their outstanding work. In Singapore, German, French and local employees exchange information on onions for the entire Asian region. Six junior perfumers are moving from one site to the next to become familiar with regional raw materials, other markets and their fragrance preferences as well as to learn from experienced perfumers. These are just a few examples of the international collaborations taking place at Symrise, where expatriates (otherwise known as expats) play an increasingly important role in the daily exchange of information across continents. These expat employees live and work for multiple months or years in a region other than the one they call home.

More than 120 of these curious, travel-loving people are working throughout the Symrise world – and that figure continues to rise. One factor driving this trend is the desire of Symrise customers (globally operating food and perfume manufacturers) to have their suppliers' top talents working on their projects. "While this includes the local colleagues who know their region like the back of their hand, these companies also want to work with our specialized experts," explains Dr. Iñigo Natzel. "These experts understand the global processes involved and have successfully implemented similar projects or worked with these customers in the past," explains the Corporate Vice President, who has been responsible for Human Resources at Symrise for the past eleven years. Another factor behind the expat trend is Symrise's own focus on developing its personnel. Men and women who go on foreign assignments gain valuable experience, both personally and professionally. The challenges posed by a new language and culture – along with the different consumer preferences in the new region when it comes to flavors or fragrances – provide the employees with unique inspiration while boosting their know-how. Such attributes can only benefit them throughout their career.



Dr. Iñigo Natzel,
Corporate Vice President, has been responsible for global Human Resources at Symrise for eleven years.

Flexible Experts

A third driving force can be traced back to the company itself and its industry as a whole. "We need top-notch colleagues at every step of value creation. In some areas, it is very difficult to get the best employees because so few of them exist," explains Dr. Iñigo Natzel. In product development, for instance, there are only a certain number of highly qualified perfumers and flavorists in the world who can do the job at the level that customers require. "We bring our experts to the projects, rather than the other way around. This requires good planning with short stays consisting of a few weeks or months," clarifies Natzel. Many expats also work in Holzminden. "They bring a great deal of knowledge about their region, and take new expertise back when they return," says Natzel. After all, the Symrise headquarters is meant to be the central research and development site from which knowledge is transferred to every region.



Symrise considers the advancement of women in the workplace to be very important.

Its global share of women in management positions below the Executive Board level is among the top third of publicly listed companies in Germany. This number will continue to rise, despite the fact that production-oriented companies tend to have fewer female employees. 35 % of all new hires at Symrise are currently women, and the internal promotion rate for women is 42 %.

First level of management

16 %

Second level of management

22 %

Department heads

42 %

To make this process as optimal as possible, Iñigo Natzel's work and that of his international team has changed over the years. In the past, the Human Resources department played a more administrative role. Today, it is the cornerstone for the company's knowledge transfer and manages this process. "We analyze our employees' skills and try to use these as effectively as possible in close cooperation with the business units," says the Corporate Vice President. In an effort to increase its efficiency, the Human Resources team manages an increasingly number of processes digitally. On the career@symrise platform, the team collects and analyzes data on previous work experience and sites, career ambitions and skills. In 2016, a training module will be added to the platform. Soon, the entire process, from applications to hiring, will be handled in this manner. "This gives us global access to the data and we can see who would be a suitable candidate for job openings around the world. It also allows us to balance out the 'gut-feeling' factor, which is obviously important when deciding on potential candidates, with objective analytical methods," explains Natzel.

International Project Groups

Achieving this requires a unified understanding of personnel management – and this is all the more important at a company like Symrise. "Our employees are usually managed by their direct superiors. In international project groups, however, this might be done across the organizational structure," explains Natzel. "That's why we need to place a much greater focus on project requirements." As a result, communication takes on an even more important role and managers need a high level of intercultural competence.

A major portion of the communication in international project groups occurs via online platforms, video and teleconferences or via email. But teams cannot work optimally via virtual means alone, stresses Iñigo Natzel. "To experience the diversity of the markets and customers, face-to-face meetings are very important, particularly at the beginning of such projects, but afterwards as well."

One initiative that highlights this approach is the "Future Generation Leadership Development" program that celebrated its second year at Symrise in 2015. Its four modules cover the roles of managers, the Group's strategy, project management and employee management. About 50 young managers from the middle levels of management have participated in the program so far – and 40 % of the participants were women. They were trained for the requirements of their positions while also getting to know colleagues from business units other than their own. In 2015, the team from Diana played an especially important role in integrating the company into the Group after its acquisition by Symrise. The merging of corporate cultures can only work if it is implemented at the person-to-person level. This works best in the context of specific projects. Along with ideas on green chemistry and sales subsidiaries, the leadership program also resulted in the development of a study on "Megatrends in the Flavor and Fragrance Industry" that was the work of six experts from India, the United States, Singapore and Germany. "This was a great example of what can happen when we work across boundaries," says Natzel. "It results in exciting approaches that derive their innovation from international cooperation."

SAVING LOCAL ENDANGERED SPECIES
Paul Seguin (Diana Aqua, Thailand)

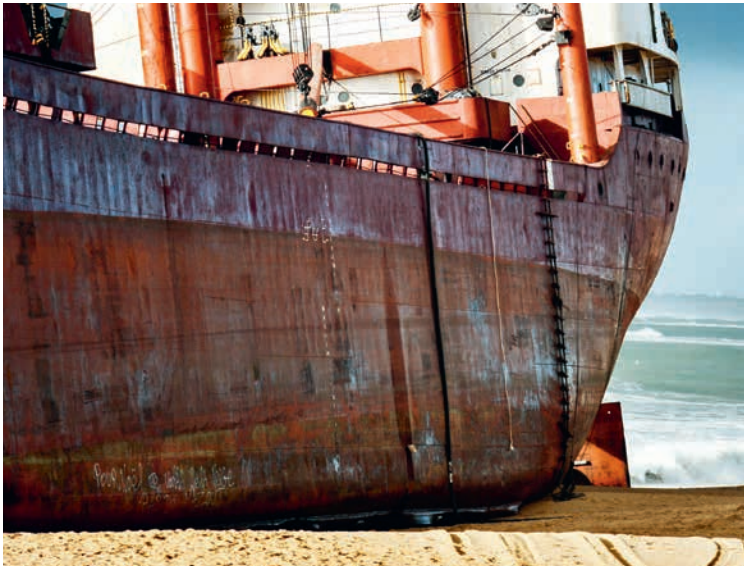


LANDSCAPES TO PRESERVE
Mayra Flores (Diana Pet Food, Mexico)

THE TIDAL FORCES
Sébastien Lejas (Diana Food, France)



ENERGY TRANSITION: A MAJOR CHALLENGE
Gwénola Lafarge (Diana Aqua, France)



TK BREMEN: A SHIP ADRIFT
Mikael Herault (Diana Aqua, France)



BAD HABITS DIE HARD
Régis Vitel (Diana Pet Food, France)



WATER, A PRECIOUS RESOURCE
Maria Sol Esteban (Diana Pet Food, Argentina)

LIMITED RESOURCES

Henri Drapeau (Diana Food, France)



MUSHROOM, A RESPONSIBLE CONSUMER

Cliff Stewart (Diana Food, UK)



You can find additional information about the winners and the pictures online at cr2015.symrise.com.



RICE FIELDS IN BALI

Eric Quirin (Diana Food, UK)

Sustainability in Pictures

Diana held a photo competition with the categories “humans and the environment,” “climate,” “proximity and local dynamism,” “responsible consumption” and “renewable energies” in connection with the European Sustainable Development Week in early June 2015. These topics are related to Diana initiatives at its various sites around the globe. A photo of the TK Bremen, which ran aground on the coast of Brittany during a storm, was named the winner.



FRAMPTON MARSH

Greg Skinner (Diana Food, UK)

Working **Hand in Hand**

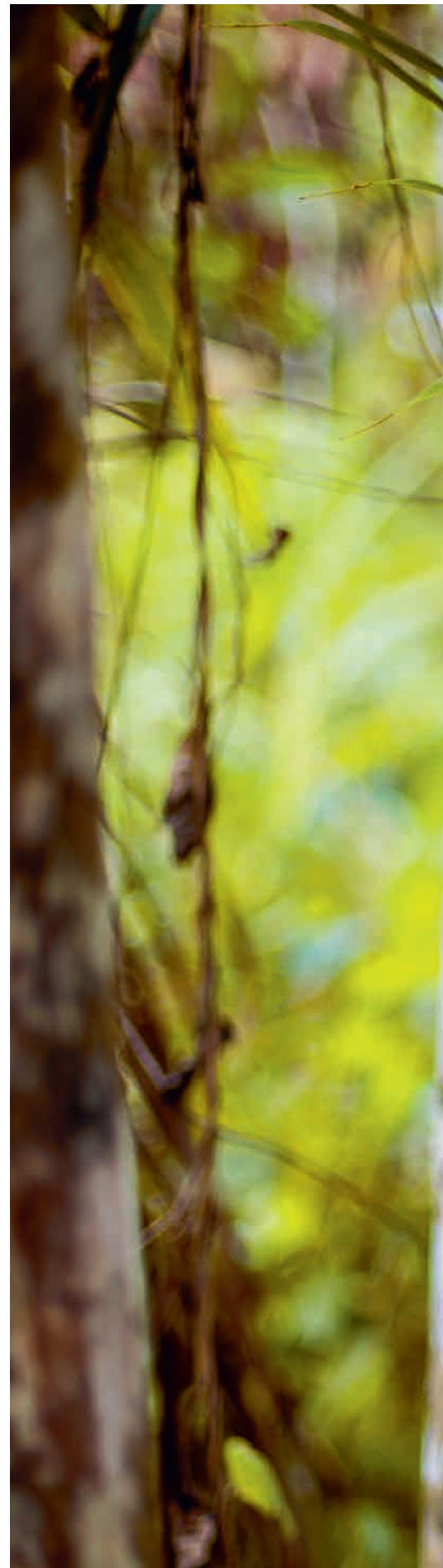
To ensure successful and sustainable operations, Symrise continues to increase collaboration with members of the value chain. A good example in Brazil demonstrates how that works.



Endless Diversity

For the past two years, Symrise has been actively identifying new raw materials in northern Brazil and developing products from them for the global cosmetics market. The company invested €5 million to build its own production facility at the Ecoparque, an industrial park founded by partner and customer Natura. Symrise is also working closely with the local village communities and research institutions to sustainably preserve the Amazon region's biodiversity.

Francisco Pereira steps into a loop he has just created with a few twists of rope. With its help and his own strength and dexterity, he quickly climbs five meters up the side of a palm tree standing on the bank of the Moju River. But he isn't climbing this tree to get a better view of the river as it flows through the northern part of the Brazilian state of Pará. Instead, his focus is directed at a multi-stemmed branch carrying dozens of purple-colored açaí berries. Francisco Pereira swiftly removes the branch from the tree with a little tug. He grabs a few more and descends back to the ground.





AÇAÍZEIRA

It is harvest time in Jauari. The producer association consisting of 35 families makes its living on the vast biodiversity of the Amazon region. They plant, nurture and harvest fruits and nuts on 50 hectares of land. The oils and butters from these raw materials are processed and used in the cosmetics industry. The program was started in the mid-2000s by Natura, Brazil's largest natural cosmetics manufacturer, and currently involves over 3,000 families. The company commits to purchasing entire harvests, supplies agricultural know-how and places a strong emphasis on social aspects. In addition to a fair price for their harvested goods, the farmers receive 5 % of the sale price for the final products containing ingredients from the plants grown by each village. (More on the sustainable approach in the interviews on pages 42 and 43.) Symrise is closely involved in this process as a partner and supplier. It now produces oils and butters from seven raw materials (andiroba, murumuru, Brazil nut, cupuassu, açai, buriti and cocoa) and sells these to Natura and other customers. "All sides benefit from this arrangement," says Adelino Nakano. The chemist, who is responsible for hair care and innovation at Symrise in São Paulo, is visiting Jauari today. The site is 70 kilometers away from the city of Belém and its 2.3 million inhabitants. It is not a typical business trip: He greets Francisco Pereira with a hug and gives his mother two kisses on the cheek. Only after a long conversation about family and health over a very sweet cup of black coffee does the conversation turn to business-related topics.

"We are assessing various raw materials on whether and how we could use them in the future," explains Adelino Nakano. He bends down and picks up a brown, woody seed. "This is an andiroba seed, which we already process." Next, he plucks some leaves from a tree and rubs them between his hands. He smells them. "These are interesting plants," he says and jots down the name of the tree given to him by a village resident. "Its fragrance is very fine. It could be of interest to our perfumers – perhaps for household products."

Villages of Experts

Finding the right plants, learning about their potential uses, planting and harvesting them – the people of the Amazon region, who live along the expansive rivers or in the rainforest, are a great resource when it comes to accomplishing these tasks. They are very familiar with the plants and often have extensive knowledge about them. Francisco Pereira's father, who moved here 25 years ago, is a great example.



» All sides benefit from this arrangement. «

Adelino Nakano: is responsible for innovations at Symrise in São Paulo.





Mr. Ramos, how do you ensure a fair cooperation with the village communities?

We work in strict compliance with the Nagoya Protocol of the United Nations, which regulates the use of regional raw materials by international companies. It also requires compensation for the producing state.

This approach is particularly focused on the local population. What about nature? How is biodiversity being protected?

Symrise has entered a strategic partnership with the Union for Ethical BioTrade. Everyone benefits from this arrangement, including Symrise: Our flavors, fragrances, cosmetic and functional ingredients depend on natural raw materials.

So Symrise benefits from this commitment?

Of course! It is the only way that we can successfully produce our products and deliver them to customers around the world. At the same time, sustainability is only possible in combination with business success.



Eder Ramos: *is responsible for the global cosmetic ingredients business at Symrise.*

Over the years, he cultivated many native plants in and around his small village. Plantations and monocultures are nonexistent in this area. He also founded the cooperative, worked to improve local living conditions and even arranged for power lines and the construction of a water treatment facility. When he died two years ago, Francisco Pereira assumed his father's role.

He, too, does not shy away from working with companies to achieve greater goals. When he talks about the cooperation, he often uses the word “family.” Francisco Pereira expects trust-based relationships with the companies, regardless of how big they might be, and wants values like reliability, openness and transparency to be reflected in any contracts. “It is very important to us that the companies treat us fairly,” he says. For Symrise, this is a matter of course. The company wants to further strengthen its direct business relationships with these villages and works with

them in strict compliance with the Nagoya Protocol (see interview on page 42 – 43). In addition to this, Symrise recently presented the village with a special present: a white boat for transporting people to the nearest doctor. “We have cut travel times to the doctor by 85 %. That can save lives,” notes Adelino Nakano. The boat has already traveled up and down the river several dozen times, saving the residents from having to take alternate, more hazardous routes over land. In the coming months and years, Symrise wants to expand the cooperation. “We will closely assess which raw materials are suitable and decide together with the village communities on how to progress.” The innovation manager is also working on cooperation with local universities in the Amazonian region. “The researchers have identified about 3,000 different plants that we are evaluating for usability,” he explains excitedly. “In doing this, it is important that we use good agricultural practices and keep land and water use to a minimum.”



It's not unusual for Francisco Pereira from the producer association and Symrise employees Ferdinando Prado and Adelino Nakano (FLTR) to talk shop on the steps of the association building.

Francisco Pereira (right) shows Adelino Nakano the variety of the fruit and nuts harvested by the farmers in the forest.



Mr. Ribeiro, the focus of the Amazon project has so far been on the Scent & Care segment. Where do you see opportunities for new flavors?

We have visited several producer associations and university facilities and have run into some spices that seem to be well-suited as bases for extracts. We also collected ideas for natural colors, which could be of interest for our colleagues from the Diana division.

How important are the village residents for you in terms of what they bring to the cooperation?

They have a very close relationship to nature and specifically to the impressive variety of local plants. We can learn a lot from them.

Do you think there are any synergy effects available for your segment at the Ecoparque production facility?

Definitely. For example, we could gain brand new flavor nuances from established raw materials with our SymTrap® technology. Furthermore, through our colleagues from S & C Segment we were involved here at a much earlier stage than our competitors thanks to our cooperation with Natura. That puts us in an advantageous position.



Walter Ribeiro: *is President of the Flavors Division Latin America.*

Sustainable Production

Fruits, seeds and nuts are processed at the Ecoparque, a further important component of the Amazon project. Natura developed the industrial park in Benevides, constructed its own production facilities there and designed the site to be as sustainable as possible. For instance, the offices hardly need electric lighting as they were designed to make use of natural light. Rainwater is collected and used water is purified via a sophisticated ecosystem: It initially flows through three layers of different-sized gravel. Then microorganisms in the roots of local flowers and plants break down the remaining organic material.

So far, Symrise is the only foreign company to have built a production facility at the site. The company invested € 5 million in the project, explains Ferdinando Prado, who helped design and construct the facility. On this particular day, Brazil nuts are about to be processed and are lying on pallets in orange netting. Many steps are required to extract the clear oil from them that is used in cosmetics. After the incoming goods are inspected, they travel via conveyor belt and a shaking tray, which removes any remaining debris like leaves and small rocks, to a silo. From there, they land in a tank where they are heated in three phases to a temperature between 60 and 70 degrees Celsius. "There are two reasons for this: They can be more easily broken down at this temperature and the oil becomes more fluid, which makes it easier to extract," explains Ferdinando Prado. The mechanical engineer stands in the warm hall and checks the presses. "A Brazil nut consists of up to 40 % oil. Other seeds like andiroba or cupuassu only contain about 25 %," says the technician, who joined Symrise to work at the Ecoparque. The engineer has a great deal of experience and knows the machinery like the back of his hand. On one side of the press, a dark brown oil is flowing down a channel to a filtering system. There, it is squeezed through nine thick cloth filters. Finally, a golden yellow fluid flows from several taps into a tank. The raw oil could already be used in this form, but it is further refined for the cosmetics industry: Two additional machines are used to remove its color and odor.

Prado ascends some stairs. Through a window, one can see work being done to reassemble a facility for plant extracts that was moved here from the old site in Sorocaba. Prado opens a door and enters a small laboratory. Here, the seeds are checked according to 15 parameters, such as moisture, acid, peroxide and sulfur content, throughout the process. Microbiological properties are also tested to ensure that no undesired bacteria has contaminated the product, while color and odor are tested in the sensory laboratory. Along with pressing and extraction, Symrise also uses its proprietary SymTrap® technology to extract valuable aromatic substances from residual materials. Over the course of 2016, Symrise will present the entire portfolio to further customers in the fragrances industry. Production will be able to expand without problems to meet rising order volumes, explains Ferdinando Prado. "At the moment, we are operating with only a single shift and ten employees. We could expand that to a three-shift system." In a final step, Symrise will also install a production facility for essential oils in an already constructed part of the hall. "We will test and further develop raw materials for two of these products in parallel during 2016," adds Ferdinando Prado. "And that is only the beginning of a long list of solutions inspired by the Amazon region's rich biodiversity."

A blossoming natural filter system in the Ecoparque purifies used water and collects rainwater using a large, funnel-shaped structure.





The Brazil nuts are chopped up and pressed and then filtered to create a golden yellow, highly aromatic liquid.



Sharing Values and Goals

Symrise and Natura are two companies that operate according to the same principles. They both place a strong emphasis on nature and social commitments. A discussion on partnership, sustainability and business success.



Roberto Oliveira de Lima is CEO at Natura. Brazil's largest producer of natural cosmetics primarily sells its products directly to customers in Brazil, Argentina, Chile, Mexico, Peru, Colombia and France.

Mr. Lima, what does sustainability mean for Natura?

Roberto Oliveira de Lima: It has been at the heart of everything we do since our founding in 1969. Our success depends on the quality of our products, the added value they provide to customers and the sustainable network that we have developed with our suppliers. One focus of our strategy is to develop together with our partners at all levels. This only works if they have the same values we do. That's why we look for suppliers who fit that mold, for example.

Ricardo Omori: Symrise follows the same approach – that is why our cooperation is such a good fit. The Ecoparque is a perfect example of this. For us, it was no problem to move some operations to the sustainably designed industrial park that Natura developed. Our commitment to nature, society and the socioeconomic development of the regions we operate in is part of our core business.

Symrise is allowed to sell the products resulting from the raw materials generated by this joint project to other customers. Why don't you insist on exclusivity?

Roberto Oliveira de Lima: Because this would limit opportunities for our suppliers. Our primary goal is to benefit the Amazon region. That is why we use as many ingredients from the region as possible. It is good for the farmers if a company like Symrise is able to supply other customers because it allows them to expand and diversify their sales channels.

Ricardo Omori: This approach is the right one and sustainable for all involved. Of course, we feel very indebted to Natura: It was much easier for us to build relationships with the producer associations and construct the production facilities at the Ecoparque with this strong partner. At the same time, it is a tremendous advantage to have the freedom to sell the products on a global scale to spread the value creation across a broad basis.

What expectations do you have for business in the region?

Roberto Oliveira de Lima: So far, everything is going well: 75 % of the ingredients that we need for soaps come from the region and are processed

there in the Ecoparque. But talking specifically about the future is never easy. That is because we are dealing with pure natural products, some of which have not yet been researched. Finding new raw materials can be a quick process or a very long one. So far, we have ten ingredients in our portfolio that arose from Brazil's unique biodiversity.

Ricardo Omori: We have the same view. Because we work with pure natural products, some of which come from little-known fruits or seeds, we need to advance research. We perform this research together with Natura and universities in the region. Symrise has invested many euros solely in equipment used to further investigate materials and we are currently developing a team that specializes in the local biodiversity. This will allow us to regularly develop new and exciting products over the coming years.



Ricardo Omori is responsible for Symrise's Scent & Care business in Latin America.

» Our primary goal is to benefit the Amazon region.«

Roberto Oliveira de Lima

Understanding **What's Important**

With the help of comprehensive market research and an in-depth understanding of customer desires, Symrise develops the best products.

Latino America

In a few decades, Hispanic-Americans will become the largest ethnic group in the United States. Symrise has evaluated their diverse taste and fragrance preferences in wide-ranging studies. This knowledge has been pooled in the programs "Conexión Latina" and "Sabor in America" and has resulted in some highly tailored product developments.





The smells and tastes that appeal to us often have ties to our past experiences. The perfume that our mother wore, the aftershave that our father used, the special meal that Grandma used to make on the weekend: All of these things bring back happy memories from childhood of warm, familiar moments. “Most men and women have subconsciously linked such fragrances and tastes with the security that they experienced as a child. This sense of security maintains its appeal into adulthood,” says Usha Vijay, Vice President Marketing, who oversees the Scent & Care segment for North America at the Symrise site in Teterboro, New Jersey. This especially applies to people who originally come from a region whose culture differs from the one in which they now live. In the United States, this includes citizens with a Hispanic background, whose families came to the country a few years or decades ago from places like Mexico, Puerto Rico, Peru, Cuba or Colombia. “This group, which identifies both as Latinos and Americans, is constantly growing: They represent about 17% of the population today and will grow to account for roughly 30% by 2050,” explains Usha Vijay. At the same time, the purchasing power of Hispanic-Americans is also growing rapidly. “No company can afford to overlook or underestimate this target group,” adds her colleague Emmanuel LaRoche, Vice President Marketing for the Flavor Division. This is not an area for simple solutions, either. Together with a large team, these two Symrise marketing experts have therefore taken a close look at this unique culture. Their work included comprehensive consumer surveys, collaborations with market research institutes and discussions with Hispanic bartenders, chefs and perfumers in addition to looking at blogs and other media and treks around the country. The program “Sabor in America” was created in 2014 for the development of flavors and was recently followed by the “Conexión Latina” program. This program allows Symrise and the manufacturers of oral care products, perfumes, cosmetics and household goods to develop targeted products for Latinos.



MAIN COURSE	
ARROZ CON POLLO	12.95
LOMO SALADO	14.95
CHURRASCO	16.95
TALLARIN VERDE	18.95
PERIL	20.95
SOPEA VERDE	22.95
FILET OF SOLE	24.95
POLLO A LA LANCIA	26.95
RECIO LAMPARADO	28.95
WINE	30.95



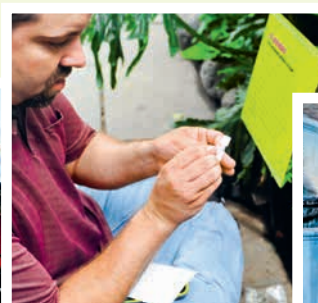
Research has provided many exciting insights, explains Courtne Jones, Director of Marketing, Scent & Care, North America, who oversees the “Conexión Latina” program. Family plays an important role in this culture, as does faith. “Like other experiences, the various religious celebrations and Sunday morning church services are linked to certain smells and tastes,” adds Jones. And these findings don’t just apply to older Latinos: “Particularly the second and third generations often look back to their family’s roots, even if they have only directly experienced that culture on a vacation to their homeland.” These younger generations want to create an emotional bridge between their parents’ and grandparents’ homeland and life in the USA. This desire for a connection to their Hispanic roots has an interesting ripple effect: This rapidly growing segment of the American population also has a considerable influence on the rest of the country. “Salsa has overtaken ketchup in terms of sales, and tortillas are more popular than white bread,” says Emmanuel LaRoche. “This is clear evidence that Hispanic foods are now part of and influencing mainstream American cuisine.”

The Vice President Marketing, who is also responsible for the consumer studies, is confident that this trend will continue to accelerate. For one, the Hispanic population is very young: 77 % of them are younger than 44, compared to 57 % of the overall population. And the next generation is on its way. From now until 2028, an average of 900,000 Latinos will turn 18 every year. “But it’s not just their age that is interesting,” explains LaRoche. “Young Latinos are very well educated and use the Internet to keep tabs on trends and products at an above-average rate – particularly via their smartphones.” At the same time, they also set trends, often by recommending their favorite products to friends and family on social media and are therefore strong influencers.





» Most men and women have subconsciously linked such fragrances and tastes with the security that they experienced as a child. «





The marketing professionals are confident that Symrise has gained a good grasp on this target group. A whole range of products has already been sold to our clients, with dozens more in development. "In the fragrance and care segment, the target group places value on freshness, naturalness and convenience – attributes that also play a role in other population groups," says Usha Vijay. "We combine these with other ideas, with notes that are somewhat unusual." The examples she names sound exotic: Sour tamarind fruit, for example, which is candied and seasoned with chili in Mexico or the blending of lime with ginger. Symrise uses both of these combinations to provide freshness and flavor to oral care products. Scented candles and special skin care products have been developed based on inspiration from marigolds, violets and horchatas – drinks made from crushed fruits, nuts or seeds. The sources of inspiration for foods are similarly diverse. Sweet tortilla chips with cinnamon and creamy, caramel-like "dulce de leche" notes, for example, or beverages with mango, lime, chili and lemongrass flavors have been created by the Symrise developers. Grilled fruit flavors like pineapple, peach, kiwi, papaya or pear are also being used for alcoholic beverages. The most obvious ideas aren't always the most promising, says Emmanuel LaRoche. "Hispanic consumers don't just buy chili-flavored potato chips. They want something with as much originality as possible," he says. "And with our deep insights into the taste and fragrance preferences of Latinos, we are ideally prepared to meet their expectations."





Refreshing, innovative and moving towards a healthier product range

For the drinks in the IKEA store beverage stations, Symrise developed eight mixtures of natural flavors and extracts that provide refreshment and new tastes with 50 % less sugar and fewer calories.

Swedish design. Simple, functional home furnishing. Affordable prices. With over 375 stores in 47 countries, IKEA knows what customers around the world want for their everyday life at home. Around 640 million of these shoppers also pay a visit to the IKEA food outlets. The selection of drinks available changed greatly this past year. Eight new cold drinks for the beverage stations were developed for the global market in cooperation with an international team from Symrise. The new drinks use natural flavors and extracts.

IKEA has decided to transform its food and beverages range, widening the offer of healthier and more sustainable food. “We know that customers in our markets pay increasing attention to health and want to avoid drinks that contain too much sugar. That’s why we decided to develop options for our soft drinks,” says Henrik Ringdahl, Product Developer for Beverages & Confectionary at IKEA. “The goal was to reduce the sugar content by 50 % and thus also the number of calories. “Turning this into a reality was an important challenge that we were able to overcome with Symrise.”

The sugar aspect was at the top of the agenda. But every item in the IKEA world also has to align with all five pillars of what is known as “democratic design.” All products in every section at IKEA are designed according to this principle. Form, function and quality have to be just right. The products should also be produced in a manner that is sustainable yet still affordable for customers. This applies to the IKEA food just as much as it does to dishes, chairs or shelving systems.

“We developed a solid concept by combining lots of small measures,” explains Steve Carter. With 23 years of experience at Symrise, the Senior Flavorist became familiar with every detail of the process during his work on the project. For instance, he ensured that the natural extracts and flavors that IKEA receives as syrups can be mixed with water at a ratio of 1:8. The previous drinks used a ratio of 1:5.5. This means that less weight needs to be transported to produce the same amount of end product – a contribution to sustainability. New packaging was also developed that makes it possible to use the syrup down to the very last drop. The previous packaging used at the beverage stations always left some unused product. Symrise has positioned itself even closer to customers like IKEA with a new production line for syrups in Singapore that is designed to deliver all of their requirements in terms of quality, efficiency, service, sustainability and safety.

Before choosing to go with Symrise, the company contacted several flavor houses with a general briefing. It also assessed trends on the global beverage market, discussed new concepts, took sustainability into consideration and negotiated prices. One important reason why IKEA chose Symrise was the quality of its service. “We are happy for the reliable contacts with Symrise, they react quickly to requests and ideas,” Henrik Ringdahl says. This direct contact was also important for Henrik. “When we try samples together with the Symrise flavorists in the laboratory or our test kitchen, we can immediately provide feedback and discuss the finer details.” Symrise was asked to consider traditional Swedish flavors like lingonberry and Swedish raspberry in the development of its recipes. Two additional main drink flavors were added: lemon and pear. IKEA stores offer beverages in these flavors in addition to mineral water. Another four optional flavors are available for the markets, adapted to the preferences of the various countries or regions: apple, green iced tea with

citrus flavor, cola and elderflower. The last material provided a challenge in being translated into the right taste profile. Steve Carter initially tried using dried elderflower blossoms to produce the beverage, but was not satisfied with the result. “Instead, we mixed an extract made of fresh blossoms with natural molecules from honey or roses, for example. This allowed us to achieve a very fresh, flowery flavor that is typical of elderberry and evokes memories of summer,” describes the flavorist. All drinks except those with cola or apple flavors are part of the flavored drinks segment that is currently very popular around the world. “Symrise showed that it has great know-how,” says Carolina Ojapalo, who supports the IKEA Key Account at Symrise. “With our ‘Code of Nature’ expertise, fresh extracts and natural flavors, we have the best range of ingredients for these kinds of tasks.” The Brazilian native works in Turku, Finland but often travels internationally. She has been to places like Singapore, China, Japan, many European countries and the United States to familiarize herself with various markets for IKEA.

IKEA also launched three new children’s drinks as well as two iced teas with birch and pine flavors that were developed in cooperation with Symrise. The iced teas are a playful reference to the importance of wood as a raw material for the company. We will continue to work together. And we hope to be able to bring many other products to the market that will provide healthier and sustainable options.

Award-winning Excellence

One of the products developed in cooperation with IKEA was nominated for the World Beverage Innovation Award 2015 at the “BrauBeviale,” one of Europe’s leading trade fairs for the beverage industry, in October 2015. ISTE BJÖRKSMÅK, an iced tea with birch flavoring, was among the top finalists to make it into the final selection from a total of 316 submissions.



Innovations **for Greater Efficiency**

In both baby steps and leaps and bounds, Symrise is approaching its goal of making its purchasing, development and production processes more and more sustainable.

Innov Spirit



At Symrise, a lot of great ideas are born when people work together each day on the same project. That's how it is in the team responsible for spray-drying in Holzminden. The experts have made the cleaning and production processes in the high-tech systems more sustainable and more efficient. It took a lot of small steps, but the effect is huge.

Frank Dannenberg and Burghard Rabe (on right) have, in cooperation with their employees, taken many small steps that have led to great innovations.

“Never change a running system.” That could be the campaign slogan of Burghard Rabe, who oversees the spray-drying systems in the Symrise plants in Holzminden. Sensitive liquid flavor solutions, suspensions and pastes have been successfully turned into powders here for decades using high pressure and heat. But that isn’t enough for Rabe. “We want to keep improving, and that also means completely rethinking some steps in the process.”

The General Manager and a team of ten that includes technicians, spray-drying specialists and shift leaders get together in 2010 to prepare for taking a quantum leap forward. The objective at the time was the same across the company: become more efficient. The Flavors division introduced TPM as one way to achieve this. According to this method, small groups in individual departments take on the goal of uncovering potential at their workspace and, if it is deemed good, transfer this to the entire company.

Burghard Rabe and his team called one of their projects “Evoclean.” As the name suggests, this project is focused on the time it takes to clean the system. “We have to clean the system thoroughly for each of the roughly 1,300 products that we process,” the experienced employee explains. “That’s far from trivial. After all, we use flavors such as vanilla, garlic, raspberry and meat after each other – and having these tastes or scents transfer to the next product is definitely not something we want.” On top of that are the tight regulations for food products that call for absolute cleanliness.



Production Comes to a Halt during Cleaning

The team, who knows the system down to the tiniest detail, went about this in small steps. “We took a close look at our ‘cleaning in place’ process. During this, cleaning is completely automated in the closed system,” Frank Dannenberg adds. Production Foreman for Drying at the Weser plant points to a valve node, the pipe lines and the shining silver spray chambers – systems that seem completely foreign to a layperson. “The cleaning solution has to run through all of those and then be washed out with water. One round takes up to six hours, during which no other products can be processed.” This means that roughly 20 to 30 % of the possible cycle of the eight spray-drying systems in both plants is lost for production. The experts gathered information at fairs, from customers and suppliers as well as online and came up with a number of approaches that they tested over time. The results are impressive. “We were able to reduce the cleaning time significantly,” says Frank Dannenberg.



The employees in the control room manage the complex spray-drying systems and also check how the cleaning processes are going.



Moritz Welz, Production Foreman for Drying at the Solling plant, spends a lot of time with the systems – that provides him and his colleagues with the overview they need in order to push innovations.



–6.1%



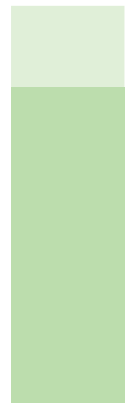
Effect of the cleaning optimization: Symrise saves roughly 22,000 cubic meters of clean drinking water each year in spray-drying.

–8.1%



The CO₂ output of spray-drying is reduced by the improved cleaning processes in the systems.

–20%



The electricity needs of the system are reduced because less water is used in the processes.

The positive effects have an impact on sales as well as on cost and consumption – and thus also on the environment. “Each year, we are saving roughly 22,000 cubic meters of water (that means a reduction of 6.1% per kg of product). We also now need about 1,500 tons less process steam, which corresponds to savings of about € 70,000. At the same time, we’re reducing the CO₂ output by about 300 tons, which equals 8.1% less output per kg of product,” Moritz Welz, Production Foreman for Drying at the Solling plant, details. The costs for cleaning supplies could additionally be reduced by about € 100,000.

How that works specifically? By developing the technology further, for example. “After a lot of testing, we were able to replace the standard cleaning nozzles that had a diameter of about ten centimeters with nozzles that were a third that size. That reduces the amount of water that flows through and therefore the consumption with the same effect,” Welz explains. Symrise also took up negotiations with the producers of the cleaning supplies. The companies reviewed the processes together with the experts from Holzminden, tried out different products and concentrations of active ingredients. “By doing so, we were able to find the best solutions together – solutions that clean just as well but use fewer resources,” says Burghard Rabe. At the same time, the waste water load with phosphates, which were used in the old cleaning products, was reduced significantly.

Improvements in Production

A lot of know-how also went into the processes at the production level. In the vacuum dryer, the cooling water was reduced by more than 70 %, which equals 160,000 cubic me-

ters. That’s enough water for more than one million baths. Water is also the key to optimizing the liquid preliminary stages for spray-drying. The less water there is in them, the less energy is needed to dry them. After a lot of experimenting, the water percentage could be reduced by up to 10 %. “In around 1,300 products, we were able to optimize the need for steam, electricity and compressed air and to reduce the need for energy by an average of 20 % in this way,” Rabe says, naming an additional impressive figure. The previous success helps Symrise in all the spray-drying processes in Holzminden; they will also be implemented at all the plants around the world in the future. And Burghard Rabe and his team have already turned their attention to other topics. In a pilot project, the employees are testing a new technology with which the energy for cleaning is no longer produced only by steam. Instead, it uses the condensation from spray-drying processes in a type of circuit system, Rabe explains. “Once the system is used in actual operations, we will save about 270 tons of CO₂ each year.”



In the spraying tower, the flavor compositions with various carriers are fed into an airstream heated to 190 degrees Celsius. There they dry to tiny particles within seconds. The flavors are encapsulated that way, can be dissolved easily in the finished products and have an extremely long shelf life.



Bernd Körtnner: manages programs to increase efficiency in the Operations Flavors department at Symrise. One of these is Symchronize™ which is based on a close linking of the cross-company supply chain.

Transparency Makes Us Strong

Mr. Körtnner, you are closely linked with suppliers and customers through Symchronize.™ Why have you taken this step?

We recognized about ten years ago that we weren't efficient enough in our value chain. Companies usually take a look at their own processes when this happens. We did that, but it wasn't enough. That's why we brought key suppliers and customers on board for discussions. Since then, we've been synchronizing our shared supply chain more closely. We call these end-to-end supply chain solutions, which improve our supply chains sustainably.

How did you present this to the customers?

By showing them the benefits. We use Symchronize™ in three clearly defined and transparent steps wherever we see high potential. That only works if everyone is open and willing to change something together. In the first step, which we call "Simplify," we take a look at where we can change shared steps in the process that don't create value. By analyzing need planning, inventory holdings and the ordering activity, for example, we are able to reduce our complexity in material supplies together. That alone saves us all about 20 %.

What happens next?

In the second step, called "Integrate," we take a close look at the supply chain to the customer. Here we can achieve savings of between €50,000 and €2 million. We see, for example, how our customer processes our products and can

use our expertise to optimize their processes. At the same time we avoid double work, for example in quality control. If we agree to shared inspection plans and methods, then the customer can save part of their comprehensive controls upon receipt of the goods, since we complete these checks anyway before shipping the goods out. We can also combine transportation to the customer, which reduces costs. The third step, "Collaborate," involves a close look at the customer's product development. If we know that the customer will be requiring a specific new product from us in the near future that contains a rare raw material, then we can order that material ahead of time. A lot of small measures add up to cost savings for the customer of up to 30 %.

Does Symrise also profit from this?

If a customer places their orders in an optimized way, then our process becomes streamlined and therefore also more cost efficient. It additionally allows us to manage our production better once we have exact target figures. We also have advantages because our own suppliers understand our expectations better and can help to improve our products. That has proved to be the case each time in the 50 comprehensive projects we have already completed.

-3 to -7 %


The process costs could sink between €50,000 and €2 million per customer.

Surrounded **by Experts**

With their ideas, concepts and focus on work,
Symrise employees are building the foundation
for company success – across every level.

Rendez-vous

The successful integration of Diana into the Symrise Group was not a sure thing: Two globally operating companies with different technologies, products and customers had to come together and develop common goals, processes and strategies. A dinner conversation about a successful endeavor.

 Heinrich Schaper,
Flavors Division

Dr. Jean-Yves Parisot,
Diana Division



A simple, but beautifully set table at a restaurant in Holzminden. The waiter brings a bottle of red wine, opens it and pours a small amount into Heinrich Schaper's glass. The President of the Flavors Division at Symrise examines the dark red liquid. He takes a whiff and a sip. It will do just fine. Dr. Jean-Yves Parisot, President of the Diana Division, sits across from him. Once his wine has also been poured, the managers look at each other. "Zum Wohl," says the German, which is quickly followed by "à votre santé" from the Frenchman. The rest of the evening's conversation is held in English.

Mr. Schaper, Mr. Parisot, what was your first impression of each other?

Heinrich Schaper: I can still remember our first meeting quite well. Diana was very successful with various products and processes, which is why we bought the company. As a result, our conversation was characterized by a great deal of mutual respect. Jean-Yves and I understood each other from the start. There was the occasional difference of opinion, but we always knew how to reach a consensus.

Dr. Jean-Yves Parisot: I was very impressed with how well the merger went and with the extensive know-how of our new colleagues. We found a good way to communicate with each other from the beginning, and despite the differences in culture that exist between a German and a French company, we easily found a common language based on shared values.

That sounds very harmonious. But acquisitions are known for being difficult in many cases. How did you avoid this scenario?

HS: When one company acquires another, the acquiring company often tries to force its own processes on their newly acquired partner. Integration is often seen as a matter of standardized procedures, which is wrong. Instead, we made sure that everyone knew what they were contributing and how each side could benefit from the other.

JYP: That's exactly how we experienced it. It was about developing a mindset that wasn't merely German-French, but that of a global company that doesn't lose sight of individual cultures.

How did you determine what advantages the future joint business would have?

JYP: We had a series of synergy meetings where we looked at the big picture at the management level. We also got our sales people, developers, engineers and technicians together very quickly. This has already resulted in nearly 50 projects – and that number continues to rise. We have also started working together on significant strategic projects: One current example is the chicken or onion lines, which show significant potential for the future.

HS: To help this process, we encouraged employees to talk with each other directly, rather than immediately appealing to managers when problems arose. We wanted to take advantage of that fresh, innovative momentum that only comes when adapting to a new situation. We also tried to bring the respective contacts together in informal settings, such as at dinner, to create a good atmosphere that went beyond the workplace.



The first course is served: liver with spätzle and chanterelles. Very German, notes Dr. Jean-Yves Parisot with a smile and adds: "I like that." He takes his fork, takes a bite and points at the plate: "Mushrooms. They are a wonderful raw material for us." Heinrich Schaper nods and says: "Let's talk about them for a moment!"

JYP: We just purchased, at the beginning of 2016, a new mushroom production site. We did this because mushrooms will be a strategic raw material for us in the coming years. In the same way we generate natural colors with carrots or sweet and spicy flavors with onions, we can use mushrooms to create umami taste. Utilized with the right scientific and application knowledge, this can replace the flavor enhancer monosodium glutamate, for example. This represents a huge competitive advantage for our customers who are looking to position themselves in clean label goods.

HS: Many synergies were used in this development. Diana brings the raw materials while Symrise uses its new technologies and creates very specific flavor nuances that were not previously possible. In this example, France contributes the base notes for soups, instant foods and snacks with its mushroom concentrates, while Holzminden develops the top notes. That's how our combined strengths provide unique aromatic profiles to the industry and distinguish us from our competitors.

» Instead, we made sure that everyone knew what they were contributing and how each side could benefit from the other. «



Is it really that simple? After all, the respective business models were very different before the merger...



HS: That's true. Symrise can increase its volumes fairly simply. Diana, on the other hand, has to manage a very complex value chain as all of its raw materials come directly from nature.

JYP: The Symrise Flavors Division is therefore able to react to customer wishes much more quickly. Creating a flavor composition from various raw materials is certainly an art of its own, but it can always be accomplished when one has the necessary know-how. At Diana, we have to develop products on a longer timeline. Also, we cannot store all our materials in all seasons, at all locations and at any desired amount. Supply chain optimization and productivity improvement are our main focus in this.

The waiter serves the main course: schnitzel with a side of vegetables – broccoli, carrots and beans. Heinrich Schaper looks at his plate with happy anticipation, slices off a bite of meat and dips it in the sauce.

HS: What we are eating here is delicious, but also very substantial, to put it nicely. That's fine from time to time, but generally, I eat lighter meals. At Symrise, we also want to contribute to healthier diets. We are committed to the United Nations charter to combat obesity and diabetes around the world. We want to enable food manufacturers to use considerably less fat, salt and sugar in their foods and more natural ingredients than they could in the past with the help of our products.

JYP: It is the same for us. As an example, the broccoli here on my fork is the basis for an extract that has detoxifying effect thanks to the glucoraphanin it contains. Our Brassicare™ extract was sold for the first time this year in China, which has a quickly growing market when it comes to products that positively affect health. It took us five years to obtain the health certification for this and to develop the proper standardized active ingredient. Overall, it was a big success thanks to very efficient team work. We also work on joint projects for several global manufacturers looking to position their brands in natural segments that emphasize health-related effects. This increasing trend is working to our advantage as we help these big players utilize alternatives for synthetics and reduce the amount of salt or sugar in foods and beverages without sacrificing the product's sensory experience.

The managers are satisfied and skip dessert. The waiter collects the dishes. Dr. Jean-Yves Pariset and Heinrich Schaper order some coffee: espresso unisono.

Once more, you both agree. Was there ever a major disagreement?

HS: We've never had a major problem. Perhaps we need to be a bit quicker on implementing some of our inspirations and ideas into products. We are working on that and trying to fill the right positions with the right people.

JYP: Some progress has already been made here. We all firmly believe that more tremendous opportunities for creating value through working together await. Therefore we aim to further intensify our collaboration in the coming months, specifically in the areas of Food and Pet Food.

HS: We see each other as equals with many similar abilities, attitudes and opinions. That's why our cooperation will continue to run smoothly and we will continue to benefit from various positive synergies.



Perfect Addition

In January 2016, Symrise acquired the US-based company Pinova Holdings and its subsidiaries Pinova and Renessenz. In doing so, the Group has increased its raw material basis for fragrances and strengthened the important area of oral care.



Achim Daub

President Scent & Care, Symrise AG

Fragrances for perfumes and care products, functional ingredients – all made from renewable raw materials: The US-based company Pinova Holdings, along with its operating companies Pinova and Renessenz, contributes a large amount of expertise in this area. “With this acquisition, we have strongly expanded our portfolio,” says Achim Daub, President Scent & Care. “With this, we are getting even closer to our major goal of creating a supply of raw materials that is based on renewable resources to the greatest extent possible.”

The Pinova line includes specialized products that are generated from wood and byproducts of paper manufacturing or from oils that arise from the processing of oranges. The company, based in Brunswick, Georgia, has over 100 years of history. 400 employees at three production sites in the southeastern United States produce numerous specialties and fragrances, as well as cooling substances for oral care products. “With this, we are achieving forward integration with menthol, for which we are the world’s largest supplier. This means that we can offer new ingredients that we used to have to buy ourselves,” says

the member of the Executive Board. “At the same time, we can use our own technologies to increase the process efficiency of Pinova and Renessenz,” Daub clarifies, which is an additional benefit of the broad local and multinational customer structure of the American company.

Another important area of their business relates to raw materials for perfume compositions, for which Pinova has an integrated value chain. Our colleagues in the United States work closely with the producers and raw material suppliers and have established a close supply chain. They thus have secure access to crucial and sustainably produced ingredients that increase the creative potential of Symrise. “We are very innovative when it comes to the palette of raw materials available to our perfumers. At the same time, we have a large archive of important and unique fragrance elements with which we can create the most exciting products,” Achim Daub explains. And he is convinced: “With Pinova and Renessenz, we are gaining a comprehensive portfolio that will provide us with new creative impulses.”



A Science in Its Own Right

How to increase the performance of pet food? This is the question Diana Pet Food experts ask themselves every day. A closer look shows that reaching this goal reaches well beyond just pleasing dogs and cats.

Members of the company's own panel of experts: The cats choose between different foods – this represents how the experts evaluate products developed by the Diana Pet Food team.

“What is the third largest country in terms of population behind China and India?” asks Rémi Cristoforetti, President of Diana Pet Food. He quickly supplies the answer himself: “Not the USA, but ‘pet land.’” 620 million cats and dogs populate this imaginary nation, which is growing rapidly thanks to urbanization – animals provide companionship even in the tiniest of apartments – and the development of a middle class with notable purchasing power.

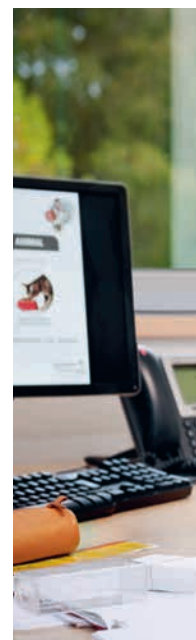
Those trends point to good prospects for the Symrise Business Unit Diana Pet Food whose 800 employees worldwide develop and manufacture pet food ingredients that increase the well-being of cats and dogs and boost pet owner satisfaction. “We support our customers by offering them solutions related to the most critical pet food performance levers: palatability, health and nutrition, and protection,” explains the manager.

Across the whole portfolio, Diana Pet Food has been adapted to work in all pet food types, from dry kibbles to wet pouches and treats. “The pet food market is growing fast, and owners are increasingly prepared to invest more in their pets,” says Cristoforetti. In most of the countries, cats and dogs are often viewed as full-fledged members of the family. “There is a reason why we speak about pet owners as ‘parents.’ They have a close emotional bond to their pets. The term ‘pet tutor’ is also catching on for people who see their pets as individuals and partners.”

That is why Diana Pet Food's strategy increasingly aims to make the experience of feeding pets more pleasurable for owners. "Pet food properties, animal specificities and pet owners' expectations are the three aspects we always have in mind when designing new solutions to improve the performance of pet food," says Rémi Cristoforetti. Pet food manufacturers need to make sure that their food attributes will match animal preferences and nutritional requirements while satisfying their parents. "Do the pets eat the food or not?" says Cristoforetti. "Owners will only buy the product again if the pet eats and enjoys it and if it makes the pet feel good!"

This increasing consideration of pet owner expectations has a direct impact on Diana Pet Food Research and its innovation axis. A major topic for Diana Pet Food's Head of Research Isabelle Guillier is the smell that emanates from the opened cans and bags containing the food. "We have diverging interests here. Dogs need a strong olfactory incentive, while owners find these odors mostly unpleasant." That is why Diana Pet Food is working on a dedicated program to design solutions that will satisfy both sides, taking into account the differing odor sensitivities between humans and animals. "We mask unappealing notes in such a way that owners no longer perceive them, but dogs can still pick it up," explains Guillier. Isabelle works with about 100 colleagues all around the globe – ethologists, biochemists, flavorists, veterinarians, statisticians and nutrition experts – on perfecting the smell, taste, texture, color, but also nutrition and safety of the food.

Part of the research team is some other very special employees that contribute greatly to the development of Diana Pet Food products. "In France, Brazil and the US, we have our own dog and cat expert panels that evaluate our products every day." Panelis, the Diana Pet Food expert center in palatability measurement, is a resource for studies on dog and cat feeding behavior and for an understanding of pet-owner interaction. "With 600 cats and 250 dogs representing more than 60 breeds, Panelis is a unique expert collection of pet food's final consumers!" says Guillier.



At Panelis, the research goes far beyond just measuring which animals eat what and how much. The French site launched a unique 1,000-square-meter research area dedicated to innovation, called the Pet Sens' Innov, last September. "Studies conducted in the Pet Sens' Innov cover varied aspects of pets' sensory perception, including gustation and olfaction, but also somesthesia (bodily sensation awareness) and acoustics," says Christelle Tobie, Business Development Manager at Panelis. "Research also focuses on understanding pets' emotions throughout the whole meal through the use of innovative indicators, such as the assessment of pets' excitement before, during and after food consumption. All these observations are performed under conditions that secure pets' well-being without any invasive methods, according to Panelis' ethical guidelines," Christelle Tobie explains.

Several catteries have been equipped with high-tech automated feeding stations combined with video and tracking systems. Christelle Tobie continues, "Monitoring cats' activity around the clock is a great tool. It provides enriched palatability measurement data to assess the impact of different sensory modalities on animal feeding behavior." She then adds, "Furthermore, it expands expertise in animal behavior evaluation, including well-being indicators, transmission of olfactory messages among pets, social interactions or individual profiles."



ISABELLE GUILLER works with about 100 colleagues on perfecting the smell, taste, texture, color, form, moisture and thickness of the food.

CHRISTELLE TOBIE,
Panelis Business
Development Manager



»Owners will only
buy the product again
if the pet eats it.«

RÉMI CRISTOFORETTI, *President of
Diana Pet Food*



PET SENS' INNOV – Diana Pet Food
new center dedicated to innovations
in pet food performance measurement
and studies on animal behaviour.



The Carbon Disclosure Project (CDP), includes more than 5,500 companies worldwide. In November 2015, it welcomed Symrise to its Climate A List. This means Symrise currently belongs to the Top 100 companies globally in terms of transparency of its climate activities. The scoring also accounts for goals, strategies and measures taken to combat climate change. In addition, when it comes to environmental reporting, Symrise plays a leading role in the MDAX® and within its industry in Germany, Austria and Switzerland.



THE FRAGRANCE FOUNDATION

Symrise won one of the renowned **FiFi Awards for 2015** from the Fragrance Foundation France. Eau Jeune Double Je from L'Oréal was honored in the category "Best Women's Fragrance in Mass Distribution."

Awards



At the 2015 specialist trade fair Personal Care and Homecare Ingredients (PCHI), Symrise received the **Breakthrough Innovation Award** for its SymRepair®100 – a highly effective complex for protecting and preserving skin barriers.

IFSCC Poster Award

At the International Society of Cosmetic Chemists Conference (IFSCC) in Zurich, Symrise was awarded with the **IFSCC Poster Award** in recognition of its research on ingredients that help skin fight against the aging that results from particulate pollution.



Symrise has been reconfirmed for inclusion in the **Ethibel PIONEER** and **Ethibel EXCELLENCE** Investment Registers. This selection by Forum ETHIBEL indicates that the company can be qualified as a sector leader in terms of Corporate Social Responsibility (CSR).



The skin-friendly liquid broadband preservative SymOcide®PH came in second place at the **2015 BSB Innovation Awards** in the category Most Innovative Raw Material Functionals/Recipients. SymTio®S also took second place, while fresh plant juices from Symrise claimed third place.



Brazilian plant extracts with ingredients from the Ecoparque in the northern part of the Amazon region received one of the three highly sought-after **Pearlfinder Innovation Awards** from Beiersdorf in 2015.

2015



Award winner
Europe 2015

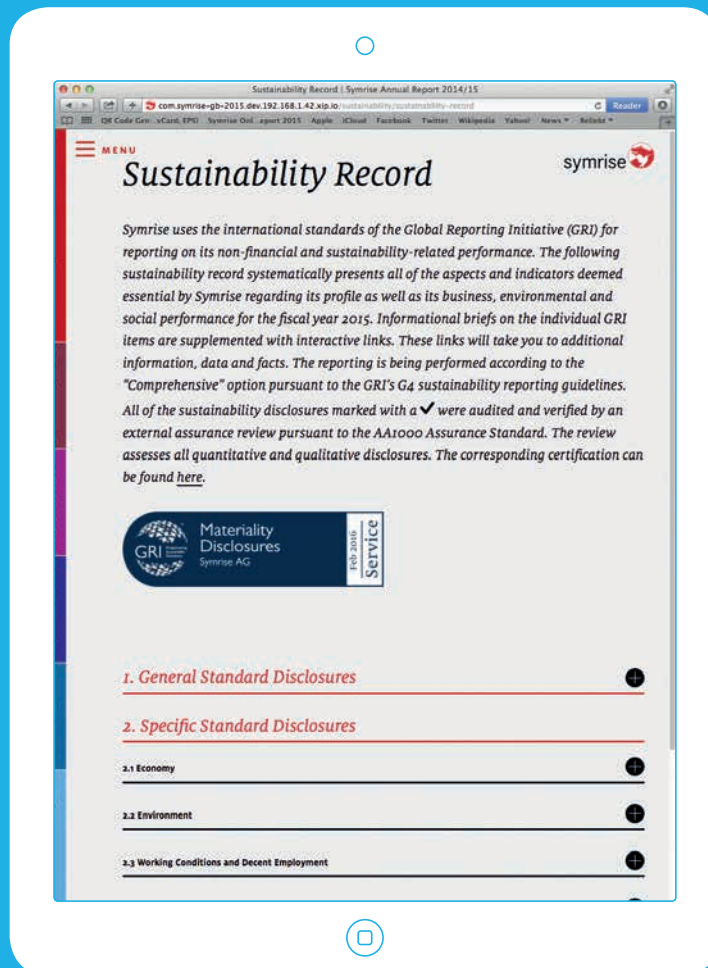
The prestigious IR Magazine recognized Symrise's investor relations work with the **2015 IR Magazin Award** – Europe for its excellent financial communications during a M&A transaction.



In September 2015, DQS the Audit Company awarded Symrise the **sustainability prize** for sustainable leadership. The certification authority emphasized how Symrise's corporate strategy has systematically aimed for sustainable growth and a high degree of transparency.

From the **Sustainability Record**

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. We have made all quantitative and qualitative information available online. This information has been audited and verified by an external assurance review pursuant to the AA1000 Assurance Standard. We also meet the requirements for a Communication on Progress within the framework of the UN Global Compact, the world’s largest voluntary initiative on corporate responsibility.



All quantitative and qualitative information
on sustainability has been made
available at cr2015.symrise.com/sustainability.

Sustainable Added Value

Challenges at the Global Level

The challenges facing companies and society today are immense: scarce resources, demographic change, poverty, climate change and dwindling biological diversity, to name just a few. Between now and 2020, the world's population is expected to grow by some 78 million every year, further exacerbating these problems. This calls for comprehensive solutions – and quickly. In September 2015, the United Nations adopted the Sustainable Development Goals (SDG) with the intention of obligating the international community to make the shift to sustainable development. Its 17 objectives replaced the previous system of Millennium Development Goals, and they expanded the older plans' focus on combating poverty by including a global ecological aspect. Achieving these ambitious sustainability objectives will not only require the right set of framework conditions for political activities. Companies and society as a whole are also called on to make their active contribution.

Symrise is aware of its responsibilities in this regard. Our industry and our company are directly affected by the global challenge. Our business model means that we play a role in meeting basic human needs concerning health, nutrition, care and well-being. Many of the traditional production processes are energy-intensive, release potentially harmful emissions and consume precious natural resources. At the same time, if we want to deliver innovative and sustainable products, we are dependent on a new generation of well-educated employees as much as on rich biological diversity from which we can derive our inspiration and creative ideas.

Our Contribution: always inspiring more

As a result, it is not possible for us to view our business activities in isolation. Instead, we exemplify and promote environmental and social responsibility in the social context around us. We want to make a contribution to shaping this context so that our company and its customers, our employees and society in general can develop and grow within it in a positive and sustainable way. In line with our guiding principle of "Sharing Values," 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. After all, this is the only way forward if we want to ensure that Symrise enjoys sustainable growth as well.

The four pillars of our sustainability agenda, Footprint, Innovation, Sourcing and Care, form the foundations of our integrated corporate strategy. In these fields, we want to make a concerted effort to reduce the negative impact of our business activities and to enhance our societal added value. This will see us actively contribute to achieving the Sustainable Development Goals. Detailed short-, medium- and long-term targets (see p. 8) are the yardstick by which our ambitions will be measured. We provide honest and transparent information about the successes and setbacks that we encounter on our path to acting sustainably. We will be elaborating these targets over the coming years as part of our drive to integrate our reports as planned. We want to coordinate our financial and non-financial performance indicators to a greater extent and so emphasize further the importance that our commitment to sustainability has for our operations.

„commit to action“

Symrise supports the "commit to action" project of the CDP investor initiative and We Mean Business. Against the backdrop of the UN's COP 21 climate conference, which took place in Paris in December 2015, these programs called on companies to pursue resolute and ambitious courses of action in the name of climate protection. Symrise heeded the call and signed up to the initiatives "Commit to report climate change information in mainstream reports as a fiduciary duty" and "Commit to responsible corporate engagement in climate policy."

More information is available at cr2015.symrise.com/sustainability.

**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.

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.

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.

As an international company active in the Flavor and Fragrance industry, we actively support the UN's Sustainable Development Goals. We performed a materiality analysis during the reporting period to enable us to assess the relevance of our different objectives and the reach of our influence. The relevant results are listed on pages 86–89. We provide additional details in our online report.

Integrated Sustainability Management

Organization and Implementation

Group-wide responsibility for managing sustainability lies with the Symrise Sustainability Board, a global committee that spans all segments. Some of its main tasks include ensuring that sustainability plays an ever-larger role in our core processes, and identifying sustainability objectives that can then be put into action in our various divisions. 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.

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.

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 contribution.

No matter their division, managers have a particularly important role to play in operationalizing the topic of sustainability in their teams and laying out clear goals. Since 2013, we have made sustainability objectives part of the professional goals of each and every one of our 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 materials from sustainable sources are rewarded. In a move to raise awareness of the



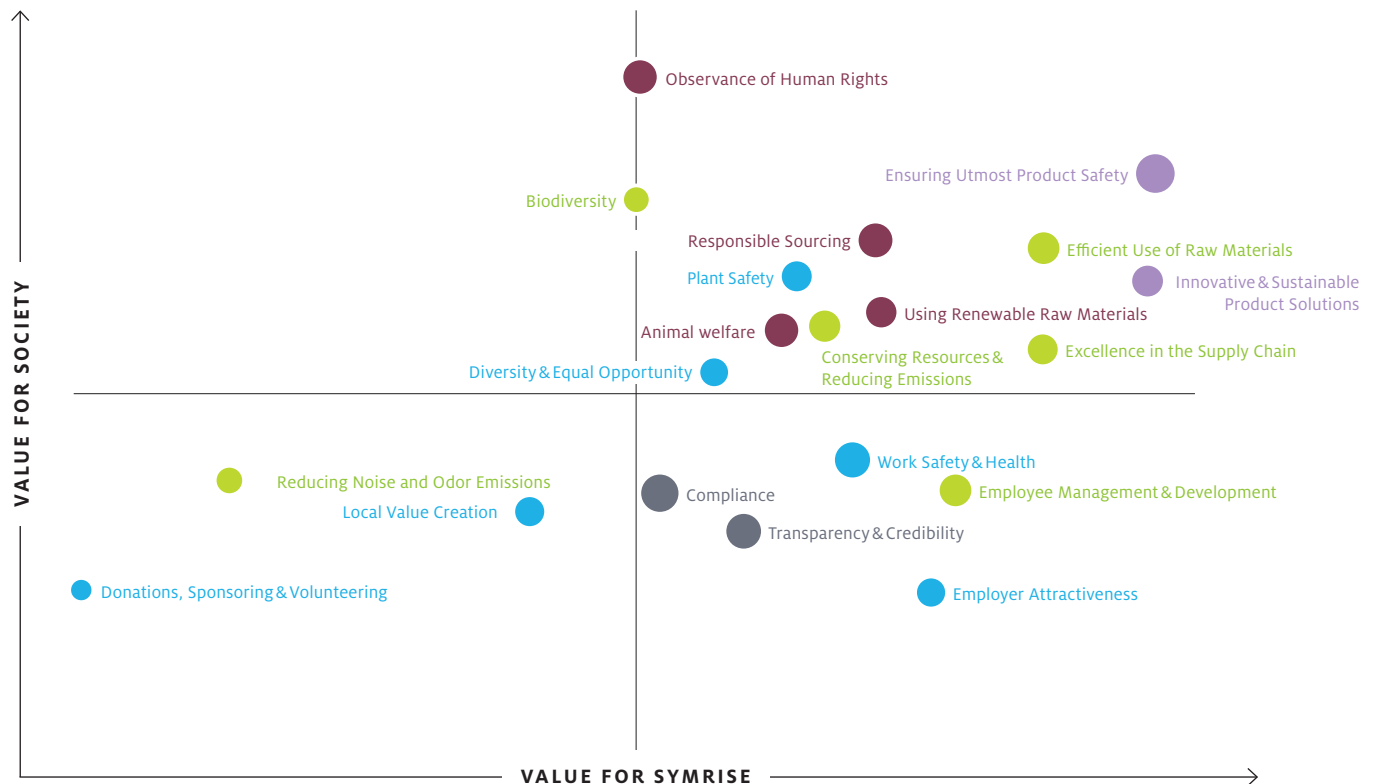
issue still further, at the end of 2014, we held a series of integration workshops for managers on the topic of sustainability. These workshops took place at our offices in Paris, New York and Holzminden. Concentrating on specific case studies and personal targets helps to promote the ongoing integration of sustainability into day-to-day interaction throughout the Group and into our operating business.

Our Central Topics

The Sustainability Board is extremely important for the further development and elaboration of our integrated corporate strategy. In 2014, it led a comprehensive review of the strategic orientation of our sustainability commitments. Against this backdrop, we took our “Sharing Values” approach and used it to revise our fields of action, assessing them according to their “value for society” and “value for Symrise,” and identified topics with the greatest potential for shared value creation. We used our stakeholder management process, modeled on the AA1000 Stakeholder Engagement Standard, to ascertain the priorities of our most important stakeholder groups. The process is centered on close communication with important groups. We believe that the most important among these are our customers, employees, shareholders, neighbors, political figures, NGOs and business partners.

Given the developments which took place during the course of the reporting year and the integration of the Diana Group, we undertook a validation of the results in 2015, and we assigned a higher “value for Symrise” rating to the fields of action “Ensuring Utmost Product Safety,” “Investment Security,” “Compliance with Human Rights” and “Compliance.” We also included a brand new topic, “Animal Welfare.”

Along with our strategic orientation, identifying key issues also serves as a basis for structuring our reporting pursuant to the GRI G4 guidelines. We provide a full report on topics that were viewed as having a high value for both Symrise and society. We provide a report with at least one indicator on topics that have a high relevance in only one dimension. We provide comprehensive, transparent information on our sustainability activities and key figures in our sustainability report. This can be found online at cr2015.symrise.com/sustainability.



The matrix used for assessing materiality combines three features. The X axis shows the “value” of each field of action for Symrise, while the Y axis shows its “value for society.” The size of the circles allotted to each field shows the extent of the expectations assigned to it from the viewpoint of our main stakeholder groups.

Footprint

The impact of our activities on the environment range from the extraction and processing of raw materials to product development, production and logistics. This is why we evaluate the entire value chain. Our goal is to conserve resources, minimize the effects on the environment and eliminate risks.

We demonstrate our progress regarding **resource conservation and emission reduction** in a number of ways, one of them being our annual participation in the independent investor initiative CDP. In 2015, Symrise was included in the Climate A list with the best possible rating of 100 A. This move recognizes Symrise as a leader in the Energy & Materials sector for the DACH region and the MDAX and puts us among the top 100 companies in the world that CDP includes on its Climate A List. In conferring this honor upon us, CDP acknowledges Symrise's ambitious strategic thinking and targets, in addition to the exceptional measures we have adopted to combat climate change. For example, we have been recording and reporting our indirect emissions according to Scope 3 of the GHG Protocol ever since 2011. We are currently evaluating all of our key Scope 3 emissions.

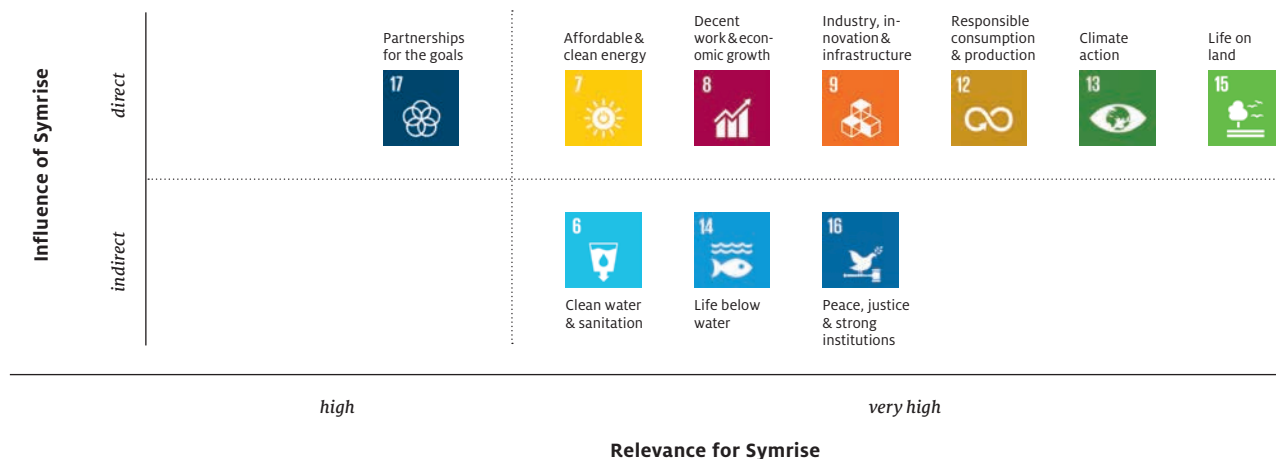
We focus our efforts on achieving **more efficient use of raw materials**. This encompasses, for example, the development of our own technological solutions such as our patented SymTrap® process. This procedure allows us to fully extract flavor-active components from the side streams of raw material processing – thereby achieving a maximum and simultaneously energy-saving resource yield. Enhanced efficiency not only has environmental implications. It simultaneously cuts spending while also displaying our Symchronize™ initiative in action (see p. 63). We joined forces with customers to develop this integrated supply chain management system, which serves to identify areas of action

and issues with the potential for reducing not just our consumption of energy, water and resources, but also our emissions. Our Goal: **Excellence in the Supply Chain.**

Safeguarding **biodiversity** is one of our key fields of action. At Symrise, the diversity found in nature is an irreplaceable source of raw materials and inspiration for new flavors and fragrances. Our biodiversity concept extends far beyond the geographic locations of our offices and plants. We not only promote a close-to-nature design for our business facilities and enhance the environmental awareness of our employees, but we also want to create an international supply chain that protects biodiversity and encourages its sustainable usage. This will see us secure the long-term supply of high-quality natural resources while at the same time actively implement the targets of the UN's Convention on Biological Diversity, an undertaking committed to the interests of future generations.

We also take into consideration issues which will, in the future, impact on our business activities or be impacted by the latter in a negative manner. One of these issues is water. Over the coming decades, many regions on the planet will experience severe shortages of this essential resource. Currently, no Symrise site is located in a region under threat of a water shortage, nor does it seem we are at risk in the immediate future. We want to identify negative developments early on, so we monitor our supply chain and are in constant communication with our suppliers regarding the matter. Our commitment to water management was acknowledged by the CDP Water Program 2015, where we received the second-highest grade (B), putting us well ahead of the CPD average (D).

INFLUENCE OF SYMRISE ON SUSTAINABLE DEVELOPMENT GOALS AND THEIR RELEVANCE FOR OUR COMPANY WITH REGARD TO FOOTPRINT



Innovation

Innovation forms the foundations of our work and is, at the same time, our core competency. We foster it by undertaking considerable investments in research and development, which also sees us enter into close partnerships with universities, research institutes and our customers (see p. 32). The challenge is to develop products that meet the various demands and expectations of our customer base and, at the same time, are capable of generating long-lasting added value for our customers and society as a whole.

Innovative and sustainable solutions for products are something we can achieve by focusing on green chemistry, natural raw materials, efficient use of resources in production, progressive technology and intelligent networking. We create a customized sustainability concept for each strategic product group. To this aim, we devised a new evaluation system in 2015 that enables us to identify each product's specific impact on sustainability, be it in terms of energy consumption or water usage. This way, we and our customers can steer product development with even greater precision and optimize the relevant end product.

Consumers prefer products that contain natural ingredients over synthetic ones. The proportion of natural raw materials in our portfolio has grown further, in particular from our acquisition of Diana. We are, however, not pursuing a complete changeover to natural raw materials. In many cases, this would have complex social and ecological repercussions. For one thing, producing synthetic ingredients generally requires less energy and water than growing, harvesting and transporting their natural equivalents. And, for another thing, the enhanced use of natural raw materials often results in competition with food production for farmland

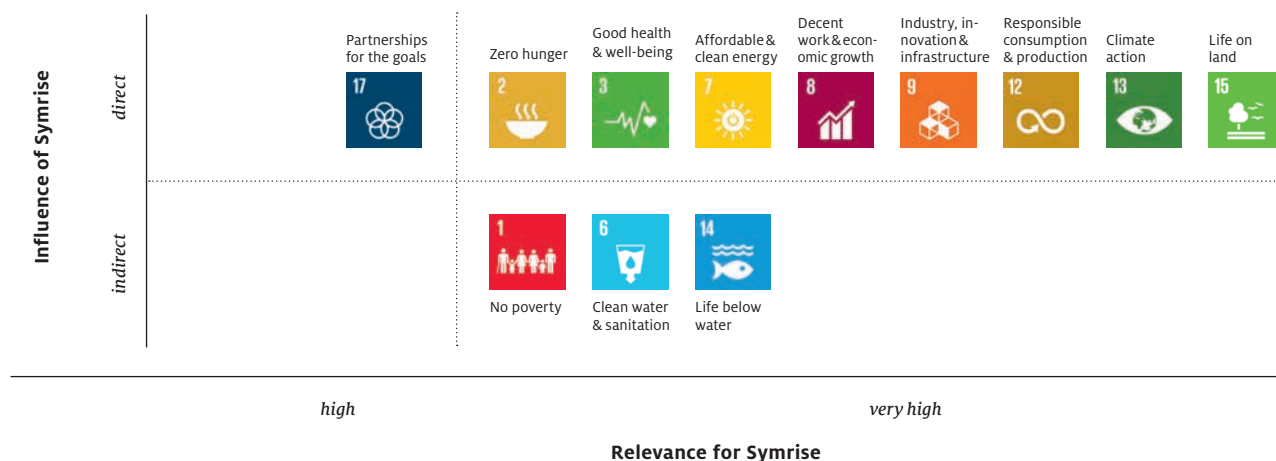
and results in a situation where monocultures pose a threat to biodiversity. Taking menthol as an example, the synthetic variant (in use at Symrise for over 30 years) has a CO₂ footprint some ten times below the level of menthol derived from peppermint itself.

Safety always takes precedence with all of our products. The Global Product Compliance Competence Center is responsible for **ensuring outstanding product safety**. It oversees the handling of regulatory requirements, performs toxicological studies on raw materials and products, and supplies data about the findings for customers and employees over the world.

Our product safety policy and good manufacturing practice is the global basis for responsible behavior with products and manufacturing processes. These guidelines steer quality control for both production processes and the production environment and apply to the manufacture of pharmaceuticals and active ingredients as well as for cosmetics, food and animal feed products. They are defined by the laws governing pharmaceuticals, cosmetics and foods.

Many requirements apply across product groups, such as quality requirements, clear product labeling and hygiene requirements. Independent audits and recognized certifications provide us with support as we strive to reach the highest standards and provide transparent evidence for our achievements. For example, 100 % of our production sites in the Flavor & Nutrition operating segment are certified using standards recognized by the Global Food Safety Initiative.

INFLUENCE OF SYMRISE ON SUSTAINABLE DEVELOPMENT GOALS AND THEIR RELEVANCE FOR OUR COMPANY WITH REGARD TO INNOVATION



Sourcing

The success of Symrise is dependent on the long-term stability of its access to high-quality raw materials. Our supply chain is incredibly complex in this regard: For our portfolio of approximately 30,000 products, we use some 10,000 different natural and synthetic raw materials sourced from over 100 countries. As a result, we face an array of challenges ranging from negative environmental effects from the sourcing of raw materials to protecting social standards in countries that experience, to some degree, problematic socio-political conditions.

Sustainable sourcing is something that serves our obvious own interests if we want to secure optimum quality levels, long-term access to resources and stable prices. In our responsible sourcing model, we concentrate on obtaining raw materials from regions surrounding our production sites, foster long-lasting relationship with our suppliers and enter into strategic partnerships with our key customers. Integrated social and ecological commitment on the ground is our contribution to sustainable local value creation. We believe that the issue of human rights is of particular importance. We are committed to upholding **human rights**, in particular the basic principles set down by the International Labor Organization (ILO), the United Nations Conventions on the Rights of the Child, and the Universal Declaration of Human Rights.

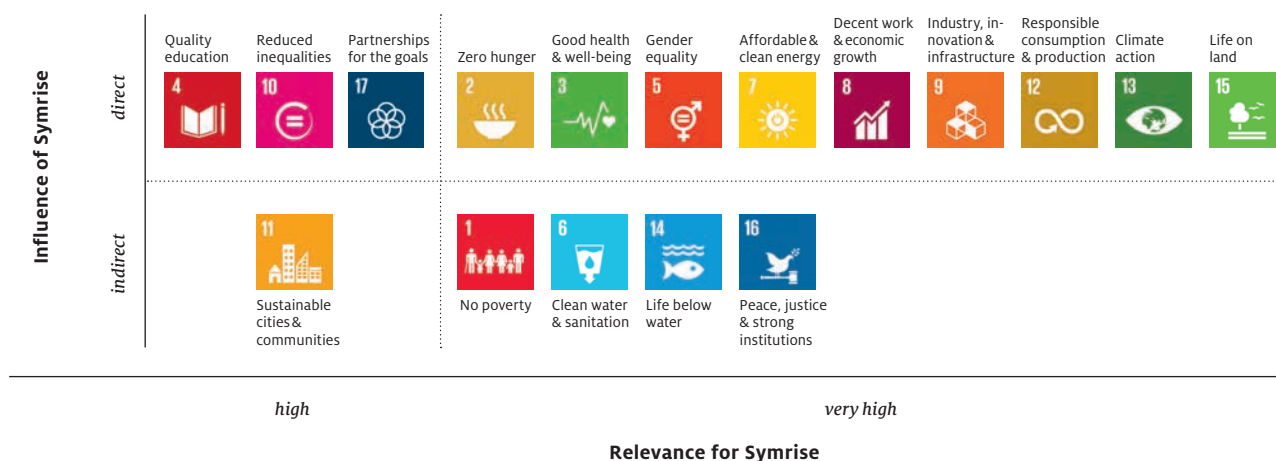
Abiding by these principles requires us to place high demands on our suppliers. These must provide information on sustainability, and we check any suppliers that are in a particularly high-risk category, i.e. one which are sources of crucial raw materials or beset by widely known problems. All Symrise production sites are listed

on the international Supplier Ethical Data Exchange (SEDEX) platform. This tool helps us assess how our key suppliers are faring in terms of factors such as human rights, environmental awareness, health and safety, integrity and other ethical issues. At the same time, it lets us present our own data to customers.

We have set ambitious goals for ourselves as part of our long-term drive to create a completely sustainable system for sourcing resources. In 2015, for example, we adopted a 3-step plan in regard to palm oil: By mid-2016, we will transition to 100 % RSPO Mass Balance-certified palm oil. Between now and the end of 2018, we will work with our strategic suppliers on implementing fully sustainable sourcing for our prime palm oil derivatives. We plan to expand this to include the entire sourcing of our secondary palm oil derivatives by the end of 2020. We believe that great potential lies in multi-stakeholder approaches in which we create sustainable supply chains together with our customers, other companies and figures from civil society. For this reason, we joined the Sustainable Spices initiative in 2013. This initiative works towards sustainable business models in the spice production industry. We are also a founding member of the U.S. Roundtable for Sustainable Beef, which promotes improvements in the beef value chain.

Animal welfare is an extremely important topic at Symrise. Symrise does not process any animals itself. However, our takeover of Diana has caused a slight increase in the proportion of animal-based raw materials. We report extensively on the topic in our online Sustainability Record.

INFLUENCE OF SYMRISE ON SUSTAINABLE DEVELOPMENT GOALS AND THEIR RELEVANCE FOR OUR COMPANY WITH REGARD TO SOURCING



Care

We see ourselves as an integral part of society. We therefore want to provide our employees and the communities that host our sites with an environment in which they can develop sustainably. The work this entails for us stretches from providing safe and healthy workplace conditions to supporting municipal infrastructures. Like other companies, we also have to tackle the task of positioning ourselves as an appealing company in regard to demographic changes. We have the dedication of our workforce of more than 8,000 employees from over 20 nations to thank for our success. To ensure this for the future as well, we offer our employees a host of employment benefits and career opportunities.

We have positioned ourselves as an **attractive employer** with a fair remuneration policy that is rooted in transparency, a logical structure and comparability. Other elements that enhance our appeal include benefits such as retirement arrangements and options for improving work-life balance.

With our targeted and comprehensive **employee development and advancement** measures, we are training the current and next generation of employees to meet the challenges posed by constantly changing market conditions and providing them with tailored opportunities for further education based on the precepts of lifelong learning. For example, in addition to specialized retraining programs for employees in our laboratories and production who want to become flavor or mixing specialists, we offer general career development measures such as language, project management and IT courses.

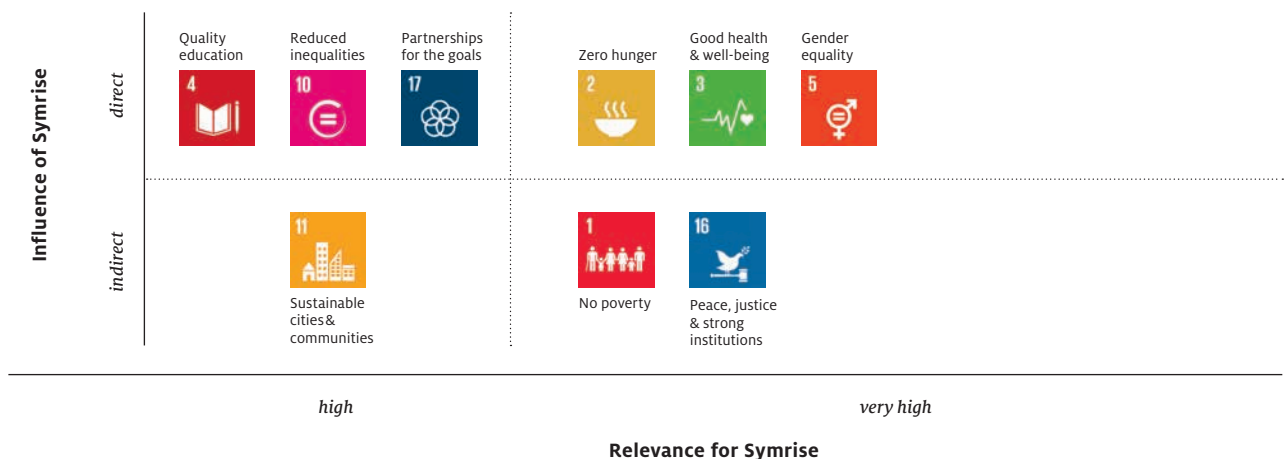
The tremendous diversity within our workforce with regard to ethnicity, cultural background, gender, age, religion and other

aspects is something that we view as inspirational and valuable. We promote **diversity and equal opportunities** via our structured diversity program, which has guidelines for hiring processes and personnel development at its core. If, for example, two applicants are equally qualified, we prioritize the local candidate. We also use targeted incentives to increase the number of female managers and achieve structural transformations. Furthermore, wage structures are independent of gender.

Given the industry we operate in, **occupational health and safety** are of particular significance at Symrise. Due to the divergent local situations and needs, the specific measures and programs are implemented at the sites individually, guided by corresponding systems and working groups. Each production site has its own occupational health and safety committee, comprising employees from management as well as other levels. All employees undergo health and safety training courses designed specifically for their given activity. There are other elements too, such as a “health week,” when employees are offered information on issues such as nutrition and healthy eating, healthy sleep patterns for shift workers and safeguarding health in the workplace.

Our subsidiary TESIUM bundles our competence concerning the **safety of our systems**, thereby ensuring the protection of staff, environment and host communities. Alongside conventional safety-related issues, TESIUM also considers environmental and energy aspects across the entire life cycle of the systems. An important tool for this is Total Productive Maintenance (TPM). It forms a basis for cross-hierarchy teams of Symrise employees to develop new solutions and proposals.

INFLUENCE OF SYMRISE ON SUSTAINABLE DEVELOPMENT GOALS AND THEIR RELEVANCE FOR OUR COMPANY WITH REGARD TO CARE



From the **Group Management Report** *& from the* **Consolidated Financial Statements**

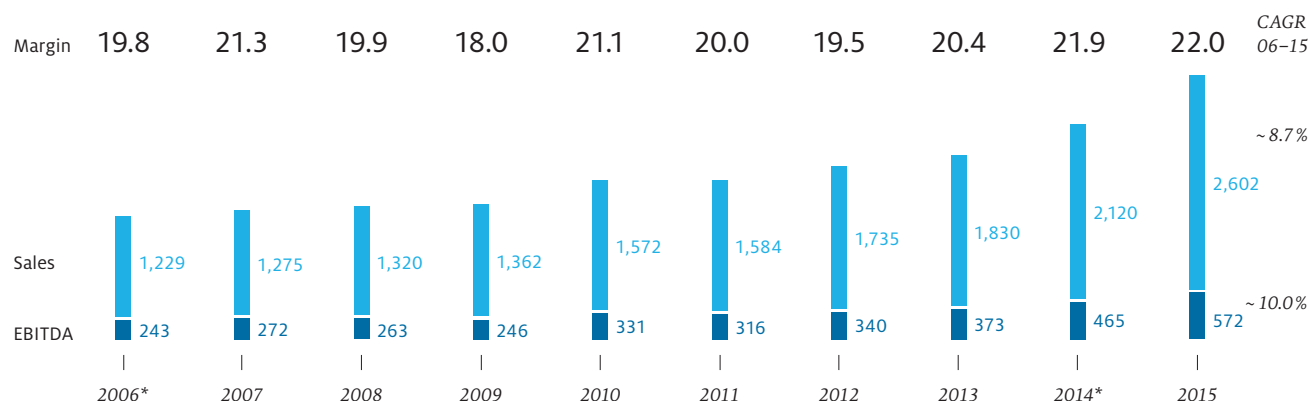
Excerpts from the 2015 Group management report and the Consolidated Financial Statements provide an overview of the economic development and situation of the company. The complete Group management report and Consolidated Financial Statements form part of the 2015 financial report available at www.symrise.com/investors.

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Highlights 2015

Profitable Growth in all Regions and Divisions

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



* EBITDA adjusted for restructuring and integration expenses

SALES BY REGION

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

EAME

1.131 € million 43% (+16%)

North America

572 € million 22% (+19%)

Asia / Pacific

571 € million 22% (+14%)

Latin America

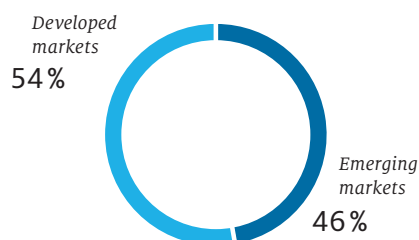
328 € million 13% (+36%)

€ **1.90** Earnings per share

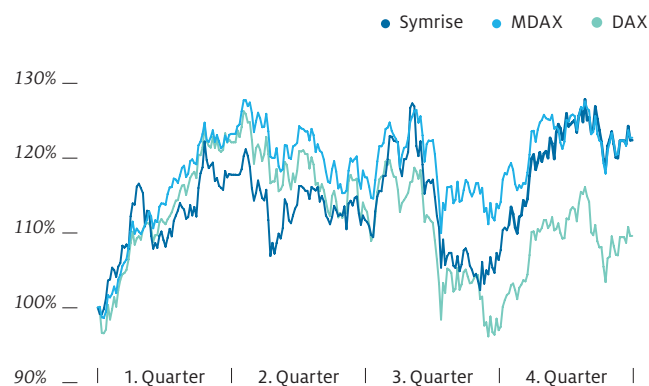
€ **0.80** Proposed dividend

SALES IN EMERGING MARKETS

% of Group sales (at local currency)



SHARE PRICE DEVELOPMENT of the Symrise stock in 2015



Overview of the 2015 Fiscal Year

In 2015, global economic growth slowed compared with the previous year. And yet, 2015 was a successful year for Symrise. The Group generated sales of € 2,602 million in the 2015 fiscal year. Sales increased 23 % (18 % at local currency) over the previous year. Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 6 %. The share of sales generated in emerging markets accounted for 46 % of Group sales and was therefore slightly below last year's mark of 47 %. Earnings before interest, taxes, depreciation and amortization (EBITDA) at the Symrise Group increased by 23 % from € 465 million (normalized) to € 572 million.¹ The Group's EBITDA margin, as based on sales, improved from 21.9 % (normalized) to 22.0 %.

The Scent & Care segment generated sales of € 1,074 million in 2015. Sales were therefore up 10 % on the previous year's level. At local currency, this corresponds to growth of 4 %. EBITDA was up 4 % over the previous year at € 231 million. The EBITDA margin therefore amounted to 21.5 % in 2015, compared to 22.7 % in 2014. Due to the Diana acquisition, the Flavor & Nutrition segment increased its sales by 34 % to € 1,528 million. At local currency, this corresponds to 31 % growth. EBITDA for the segment was also significantly higher than last year's normalized figure, amounting to € 341 million in 2015. The EBITDA margin amounted to 22.3 %, compared to 21.2 % (normalized) in the previous year.

Net income for the Symrise Group rose 17 % compared to the previous year's normalized figure, totaling € 247 million for the 2015 fiscal year. Earnings per share improved from € 1.69 (normalized) in the previous year to € 1.90 in 2015. The Executive Board and Supervisory Board will propose to increase the dividend from € 0.75 to € 0.80 per share at the Annual General Meeting on May 11, 2016.

Cash flow from operating activities increased 9 % and amounted to € 375 million in 2015, € 32 million more than in the previous year (€ 343 million). Key factors here were the improved operating result and the consolidation of the Diana companies for the full year. Symrise Group's liquid assets increased by € 79 million to € 278 million as of December 31. Net debt (including provisions for pensions and similar obligations) decreased € 64 million to € 1,576 million as of the end of the 2015

reporting period. On an annualized basis, the ratio of net debt to EBITDA was 2.8 as of the reporting date, December 31, 2015, 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

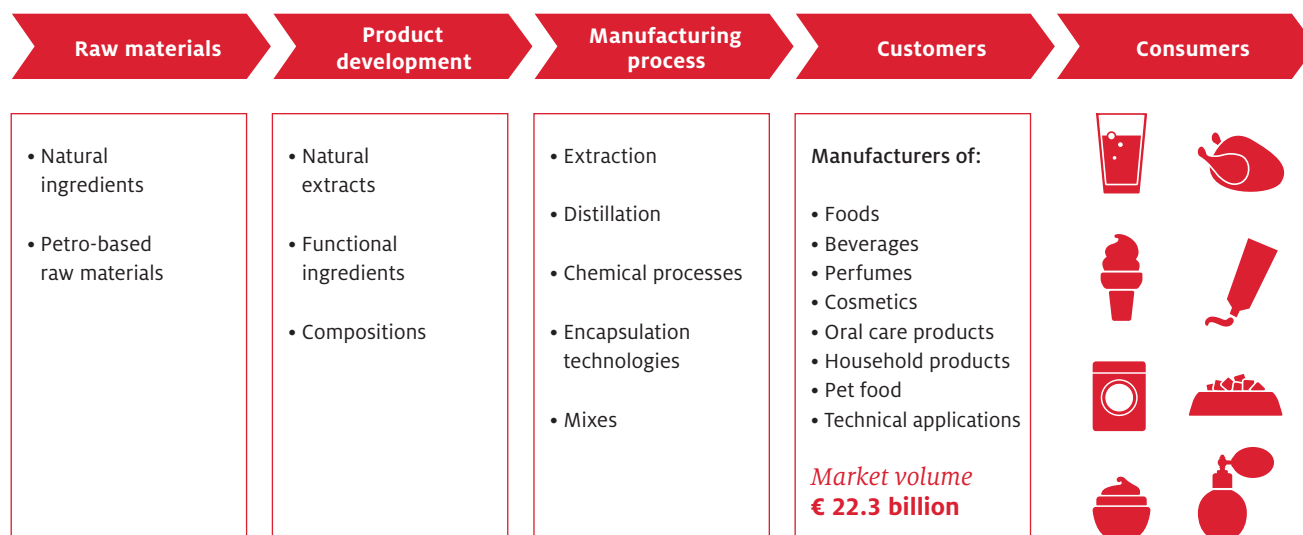
STRUCTURE AND BUSINESS ACTIVITIES COMPANY PROFILE

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. With the acquisition of the French Diana Group, Symrise tapped into new attractive market segments, such as pet food. In 2015, Symrise achieved sales of over € 2.6 billion, making it one of the largest companies in the global flavor and fragrances market. Symrise sells its products in 160 countries. In 2015, Symrise generated 54 % 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 2015 fiscal year. The company's business model is built upon long-term relationships with 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 46 % of its sales in the emerging markets in Asia, Latin America, Africa, the Middle East and Eastern Europe. With the Diana acquisition, this share of sales decreased by one percentage point compared to the previous year, as the Diana division mainly generates its sales in developed markets. There are 8,301 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, like its purchase of Pinova Holdings, Inc., which was closed at the start of 2016. These offer it a stronger market position or access to key raw materials 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,

¹ In the 2014 fiscal year, earnings (EBITN/EBITDAN) were normalized as a result of the Diana acquisition for one-off non-recurring specific influences. A detailed summary is supplied on page 117 of this report.

SYMRISE'S VALUE CHAIN



the Symrise share has been listed in the Prime Standard segment of the German stock exchange, and it had a market capitalization of about € 8.0 billion at the end of 2015. The Symrise share is listed on the MDAX® index. Currently, approximately 94 % of the shares are in free float.

The two segments, Scent & Care and Flavor & Nutrition, are responsible for the company's 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. The Scent & Care segment breaks down into the Fragrances, Cosmetic Ingredients 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 where the following central functions are carried out: Finance, Corporate Communications, Investor Relations, Legal Affairs, Human Resources, Group Compliance and Corporate Internal Audit. Other supporting functions such as information technology are either outsourced to external service providers or bundled in separate Group companies. The latter have, in the areas 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 2,234 people in the areas of research, development, production, marketing and sales, as well as in the Corporate Center. The company has regional headquarters in the USA (Teterboro, New Jersey), Brazil (São Paulo), Singapore and in France (Rennes, Brittany). Important production facilities 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. Symrise has sales branches in more than 40 countries.

BUSINESS ACTIVITIES AND PRODUCTS

SYMRISE'S VALUE CHAIN

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

CORPORATE STRUCTURE

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

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

SCENT & CARE

The Scent & Care segment's approximately 15,000 products are sold in 124 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 following different business units:

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 manufacturing 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 with them.

With the acquisition of Pinova Holdings, Inc., Aroma Molecules will be broken down into two business units starting in the 2016 fiscal year: Fragrance & Sensory Ingredients and Performance Specialties. The business unit Fragrance & Sensory Ingredients handles fragrance and sensory ingredients, which are primarily sold within the fragrance and flavor industry. Integrating Pinova Holdings, Inc., will augment the existing Symrise portfolio in this business unit, primarily with cooling substances and products made from natural and renewable raw materials. The Performance Specialties business unit deals with specialized enhancements for technical applications, which can be deployed, for example, in adhesives, the tire industry, the natural gas distribution sector and road works.

FLAVOR & NUTRITION

Flavor & Nutrition's range of products consists of approximately 15,000 items, which are sold in 145 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, which breaks down into the Flavors and Diana divisions, has sites in more than 40 countries in Europe, Asia, North America, Latin America and Africa.

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

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

Savory: Savory flavors are used in two categories: in the "Culinary" category with its taste solutions for soups, sauces, ready-

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

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

The product range in the **Diana** division breaks down into three business units:

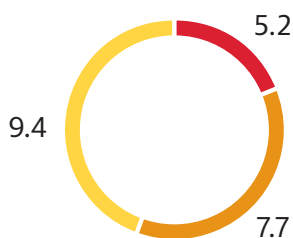
Food: This unit and its food ingredients comprises natural sensory product solutions such as taste, texture, color and functionality in foods and beverages. The unit also offers products for baby foods. Diana has comprehensive backward integration processes established for vegetables, fruit, meat and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

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

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

RELEVANT AFF MARKET SIZE 2015

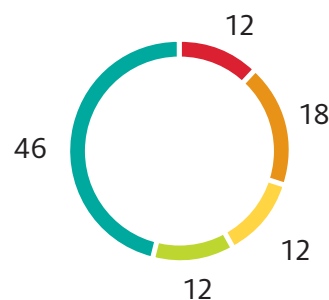
in € billion (approx. € 22.3 billion overall)



- Aroma Molecules and Cosmetische Ingredients
- Fragrances
- Flavors (incl. Pet Food Flavors)

Source: IAL (9th Edition, November 2014), TechNavio/Infiniti (2015), GIA (2015)**MARKET SHARE AFF MARKET 2015**

in % (Market volume approx. € 22.3 billion)



- Symrise
- Givaudan
- IFF
- Firmenich
- Others

Source: corporate data and internal estimates

MARKET AND COMPETITION**MARKET STRUCTURE**

The Symrise Group is active in many different markets across the world. These include the traditional market for flavorings and fragrances (F & F market), whose volume amounted to € 17.1 billion in 2015, according to most recent calculations made by the IAL Consultants market research institute (9th Edition, November 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 the latest reports from TechNavio/Infiniti and Global Industry Analysts (GIA), achieved sales of approximately € 5.2 billion. The markets have many trends and characteristics in common. The market relevant for Symrise's work therefore has a total volume of € 22.3 billion and is achieving average long-term growth of 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 54 %.

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

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

SYMRISE'S MARKET POSITION

Symrise is one of the largest companies in the F&F industry. In relation to the relevant market of € 22.3 billion, Symrise's market share for 2015 is roughly 12 % in terms of sales. Symrise has expanded the traditional segments to include even more applications: for instance, with cosmetic ingredients in Scent & Care and pet foods and food ingredients within the Diana division of the Flavor & Nutrition segment. On the basis of these more complex product solutions, greater value creation can be achieved. In submarkets such as food supplements, sun protection filters or other cosmetic ingredients, Symrise also stands in competition with companies or segments of these companies that do not belong to the traditional F&F industry.

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

GOALS AND STRATEGY

GOALS

Long-term goals 2020

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

- **Market position:** With long-term growth of 5 to 7 % per year at local currency (CAGR), our sales growth should exceed the long-term growth of the market, which is expanding by about 2 to 3 % per year on average. In this way, we will gradually increase the distance between us and smaller competitors and gain market share.
- **Value orientation:** We want to consistently be counted among the most profitable companies in the industry. We aim to achieve a sustainable EBITDA margin of 19 to 22 %.

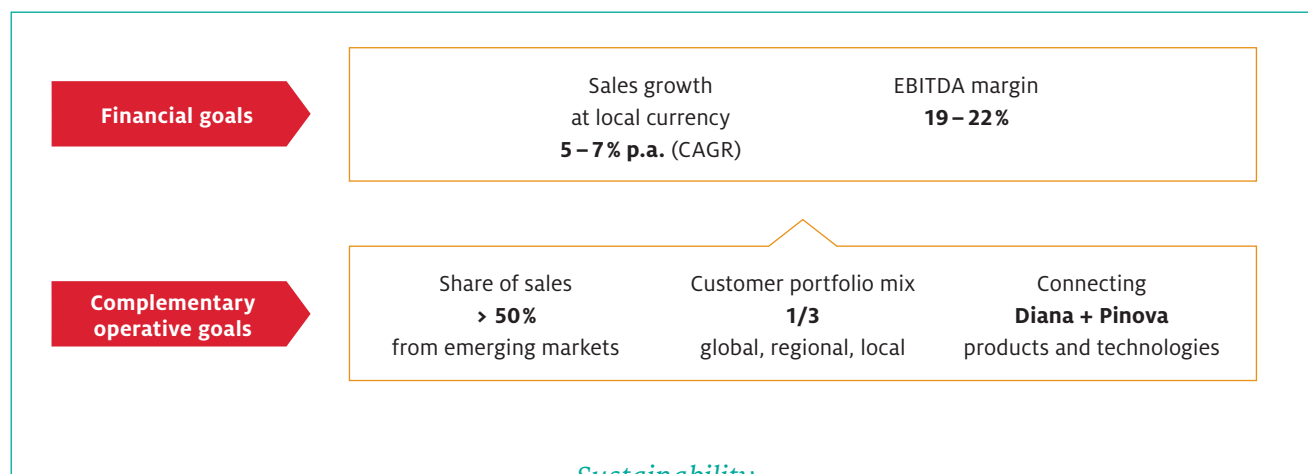
Performance results are described in greater detail in the corporate development section. We ensure that our shareholders have an appropriate share in the company's success. Our dividend policy is oriented toward the company's profitability.

STRATEGY

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

- **Growth:** We strengthen our cooperation with our strategic customers around the world and expand our business in the emerging markets. We make sure that we remain innovation leaders in our core competencies. This ensures our continued growth.
- **Efficiency:** We constantly work to improve our processes and concentrate on products with a high level of value creation. With backward integration for key raw materials, we ensure a consistent, high-quality supply of these materials in sufficient quantities and at set conditions. We work cost-consciously in every division. This ensures our profitability.

LONG-TERM GOALS 2020



- **Portfolio:** We enhance our product portfolio and tap into new markets and segments. We continue to expand our expertise in the areas of fragrance and functional ingredients from renewable resources. 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.

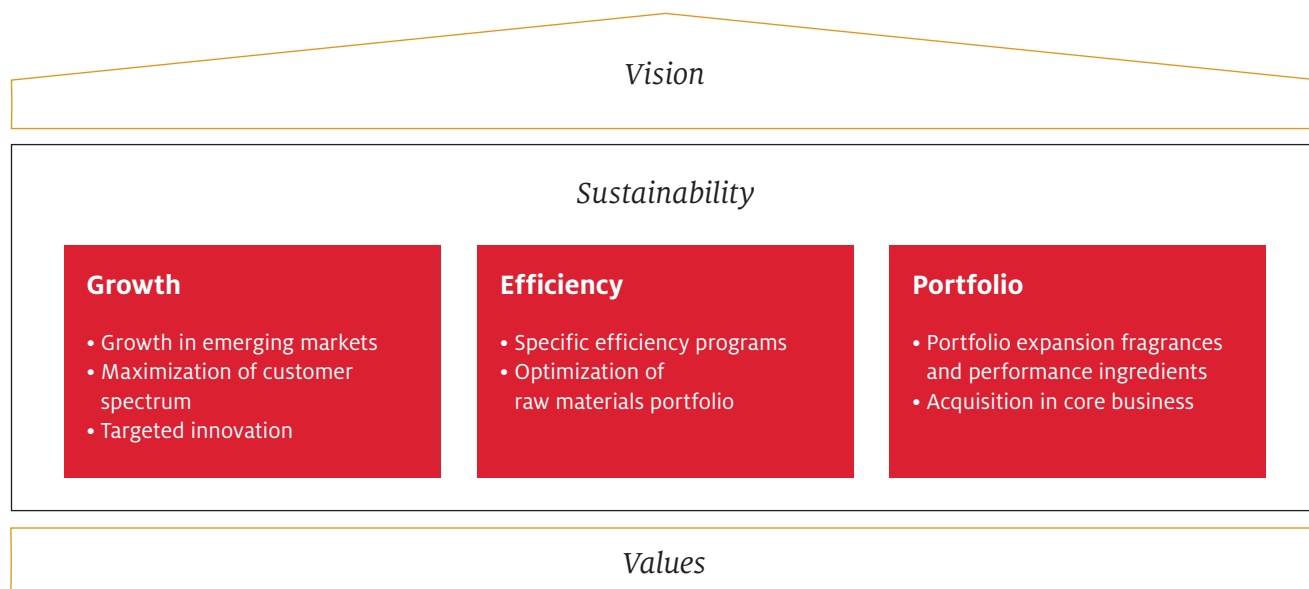
VALUE-ORIENTED MANAGEMENT

Different variables are at play within the framework of value-oriented corporate governance. The EBITDA margin, for which we have defined a strategic 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. Important key figures include sales growth in percent and the ratio of net debt (including provisions for pensions and similar obligations) to EBITDA.

Management's focus, therefore, 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 consider relevant customer, market and sustainability aspects. 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 collaborations and networks (Open Innovation) are bringing a wealth of new methods and ideas to the development process. Along with ideas from Open Innovation, Symrise also maintains a global project network with industrial and academic partners that covers every development stage of the innovative process. Furthermore, all R&D activities are geared to the guidelines of environmental compatibility, sustainability, innovation and cost efficiency. The capitalization rate for research and development activities remained immaterial as in the previous year.



CORE FUNCTIONS OF RESEARCH AND DEVELOPMENT AT SYMRISE



The R & D strategy of the Scent & Care segment concentrates on five research platforms in the areas of cosmetic ingredients, molecular release systems, masking malodors, carrier systems and oral care. Supporting platforms in the areas of sensory sciences, analytical research, naturalness, performance and receptor research form the basis for our capabilities and constant innovation process.

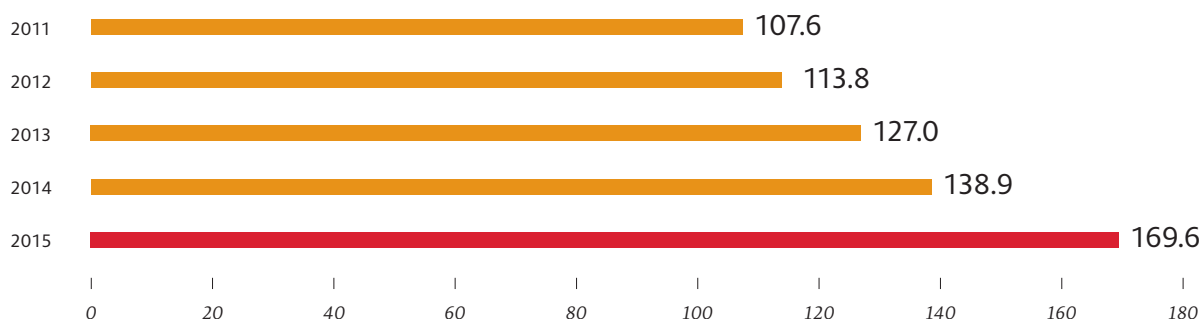
The Flavor & Nutrition segment handles the following topics based on certain technology platforms while maintaining special focus on sustainability:

- Employing flavor technologies with lower energy consumption and improved performance
- Optimizing development and manufacturing recipes for producing sustainable products
- Improving processes for using valuable natural resources by incorporating biocatalysis and fermentation technologies while reducing waste and by products

A further focus is the sustainable design of natural and labeling-friendly product solutions with excellent sensory properties. To improve competency in creation, the IT-supported SymCreate® platform was expanded last year with a tool that automatically combines ingredients into liquid mixtures according to specific recipes. At the same time, a systematic enhancement of agriculture-based raw materials is carried out in the Diana Food business unit.

Together with Diana Pet Food, comprehensive research and development work takes place in developing and optimizing flavor systems and technologies for food components that increase pets' food acceptance.

This work is supported by the development of flavor systems for optimizing the taste of proteins used in foods. Increasing health benefits for foods, such as high-protein foods, foods with reduced sugar, fat or salt, and foods that provide a greater feeling of fullness (SymSlim®) play a large role here.

R&D EXPENSES, in € million

An increasingly important key to success is the ability to successfully combine, on the one hand, traditional tools in analytics, sensory, synthesis, food technology and process technology with, on the other, new biological and biotechnical methods and processes (receptor biology, biotransformation, new enzymes, DNA fingerprinting). Computer-supported planning, analysis and evaluation of existing and new data, for instance from in-silico screening and structure-activity relationships (TasteCycle®), also play a major role, as do statistical designs used to optimize processes and flavor developments, to predict sensory preferences and to identify drivers for these preferences.

RESEARCH AND DEVELOPMENT EXPENSES

Total R&D expenditures amounted to € 170 million in the 2015 fiscal year (previous year: € 139 million), comprising 6.5 % of sales (previous year: 6.6 %). The expenses for R&D should remain at this level moving forward in order to further enhance Symrise's innovative strength.

EMPLOYEES**STRUCTURE OF THE WORKFORCE**

As of December 31, 2015, the Symrise Group employed 8,301 people worldwide (not including trainees and apprentices). In comparison to December 31, 2014, (8,160 employees), this represents an additional 141 employees. The increase in the number of employees was largest in the Scent & Care segment (+126 employees). This segment employs 28 % of the Group's total workforce. 62 % of employees work in the Flavor & Nutrition segment. Here, the number of employees increased by 18 in 2015. 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 4 % on the previous year at 147 (previous year: 141 apprentices and trainees). In particular, they are being trained as chemical lab technicians and chemists, industrial clerks, industrial mechanics and businesspeople (dual training with a Bachelor of Business Administration).

NUMBER OF EMPLOYEES BY SEGMENT

	December 31, 2014	December 31, 2015	Change in %
Flavor & Nutrition	5,094	5,112	+ 0
Scent & Care	2,173	2,299	+ 6
Corporate functions and services	893	890	– 0
Total (not including trainees and apprentices)	8,160	8,301	+ 2
Trainees and apprentices	141	147	+ 4
Total	8,301	8,448	+ 2

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

NUMBER OF EMPLOYEES BY FUNCTION

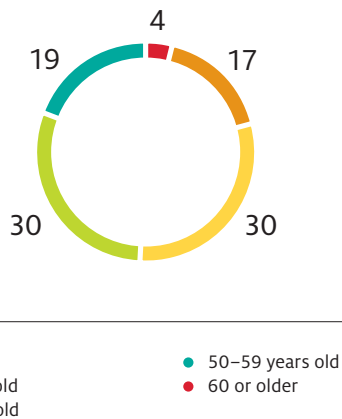
	December 31, 2014	December 31, 2015	Change in %
Production & Technology	3,945	3,895	– 1
Sales & Marketing	1,747	1,839	+ 5
Research & Development	1,457	1,538	+ 6
Administration	629	641	+ 2
Service companies	382	388	+ 2
Total	8,160	8,301	+ 2

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

NUMBER OF EMPLOYEES BY REGION

	December 31, 2014	December 31, 2015	Change in %
Germany	2,462	2,528	+ 3
EAME not including Germany	1,829	1,782	– 3
North America	922	952	+ 3
Asia/Pacific	1,333	1,361	+ 2
Latin America	1,614	1,678	+ 4
Total	8,160	8,301	+ 2

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

AGE STRUCTURE OF THE WORKFORCE in %

From a functional perspective, the majority (47 %) of the Symrise Group's workforce is employed in the area of production and technology. 22 % of employees work in the Sales & Marketing. This group grew by 92 employees in 2015, which was the largest growth in the Group. 19 % of employees work in Research & Development.

Of the Group's 8,301 employees, about 30 % work at sites in Germany, while the EAME region as a whole accounts for 52 % of the workforce. 20 % of our employees work in the Latin America region, 16 % in Asia/Pacific and 12 % in North America.

In terms of age range, employees between the ages of 30 and 49 dominate the workforce at the Symrise Group, with a share of 59 %. We regularly assess the development of demographics in our workforce. Development of demographics will be very steady over the next ten years. The natural reduction of the workforce due to retirement will be around 1 to 2 % per year until 2020.

40 % of the Symrise Group's employees have been with the company for at least ten years – at German sites, this group ac-

counts for 67 % of the workforce. Our employee turnover rate remained very low in Germany, totaling 1.1 % in 2015. Globally, the figure was 5.1 %.

PERSONNEL STRATEGY

The strategic focuses for human resources in 2015 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 and demographic change.

Employee and Manager Development

Talent management and personnel development have been and will continue to be central pillars of Symrise's personnel strategy. In 2015, we primarily focused on three topics:

- Continuing the global junior manager development program known as Future Generation
- Starting local programs for operative management such as Management Practice
- Kicking off a global program for senior leaders and global account directors on strategic negotiation

In Future Generation, the initial class, which entered the three-module program back in 2014, graduated with excellent results. In the final module, the participants presented the results of their project work. Every project was accompanied by a senior manager and focused on a topic relevant to Symrise's strategy and future. Some sample topics include future consumer trends and their relevance to Symrise divisions, and adaptations for the raw material portfolio that compensate for scarcities in certain natural resources. Other presentations examined new potential business models and access channels to the market and our customers. All of these subjects were handled in impressive detail and will influence the strategy and focus of the respective units and departments. In the coming years, graduates will receive close mentoring as they continue their professional development.

The Future Generation Leadership Development Program continued in 2015 with a second class of junior managers, who has gone through the same training concept. As part of the targeted integration of the Diana Group, half of the participants in this class were young talents from Diana. At the same time, in an effort to support diversity, roughly half of the participants selected were female.

Furthermore, the company organized leadership programs in every region for operative and middle management. For instance, in Germany in October 2015, the Management Practice program got off the ground with four modules aimed at team and group leaders who either are just starting their management role or are looking to refresh their management know-how.

The strategic negotiating course is a new developmental offer for managers with intensive customer responsibilities. The goal of the seminar is to further cultivate good customer relationships and ensure a productive, cooperative dialogue. Negotiating requires a give and take, and it should ideally contribute to a deeper partnership with our customers.

In 2015, Symrise also prepared for launching a global software and workflow system, which will be used to organize all future company seminars and training programs. Its launch date was January 1, 2016. This software represents an IT solution that gives Symrise an integrated approach to target agreement/performance review, succession planning and seminar management.

All other specialist training courses and seminars relating to communications and sales continued.

The schools for flavorists, product application technicians and perfumers also continued their training programs. A series of final exams are scheduled for 2016.

Education

One of Symrise's strengths lies in the training and development of our technical personnel, particularly in the creative segment. The flavorist and perfumer schools train special-

ists who can be quickly and successfully employed. Technical training of our production employees is also a core component of Symrise's professional development program. There are training courses for chemical production specialists (in 2015, we initiated an occupational retraining in this for unemployed individuals), process chemical technicians or inventory specialists at Symotion GmbH. Our high-performance sales training for sales personnel is also being continued and further expanded.

Furthermore, our employees have many opportunities to earn a bachelor's degree, master's degree or doctorate thanks to our cooperations with colleges, academies, institutes, etc. These measures are regularly supported by Symrise.

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.

Opening a Company Day Care

In cooperation with several companies in the region and with an external operator, Symrise took the initiative to found a company day care in Holzminden: the "Grasshoppers." In November 2015, the day care officially opened in its own location near the company and can look after up to 30 children. With this initiative that sets an important tone for our personnel policy, the compatibility between work and family life continues to improve at Symrise.

Health Management and Demographic Change

Our health management program in 2015 focused on two topics: mental stress and demographics. Mental stress will now be evaluated as part of our work safety measures. To do this, Symrise came up with its own method, which is optimally aligned to specific company needs. Using a checklist developed just for Symrise, mental stress can be analyzed. The next step is to develop potential solutions side by side with the specific employees. The workshop format is another available option for coming up with solutions.

Demographic change and the special challenges posed by shift work and production work make up the topic of another proj-

ect. This project was accompanied by a master's thesis and will continue in 2016. The goals are to shape working conditions in a way that is more demographically friendly and to develop preventative health measures for employees in production. Initial findings show that topics like leadership, motivation and mutual appreciation are essential components of healthy work, in addition to the more commonly named factors such as ergonomics and reduction of physical strain.

PERSONNEL MEASURES

Remuneration and Wage Agreements

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

In Germany, Symrise uses the pay rates for the chemical industry. Accordingly, wages increased 2.1 % as of April 1, 2015. For the application of this increase at Symrise, we took into account our pioneering site safeguard agreement, which will remain in effect through the year 2020, and provides for salary reductions of 0.7 percentage points compared to the collective tariff.

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

Symrise's standardized job grade concept remuneration model applies to all regions. It is structured according to the function of position and its respective responsibilities. It also includes a bonus concept. Job grades make remuneration transparent and highlight career possibilities within the company. The Symrise job grade concept includes specialist and manager tracks and promotes movement between both paths.

In addition, a separate Global Performance Bonus Plan ensuring that company goals are reached by means of a variable re-

muneration geared toward results and performance applies to about 70 managers with global or regional responsibilities.

Measures to Safeguard Competitiveness

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

Economic Report

CORPORATE DEVELOPMENT

CURRENT DEVELOPMENTS WITHIN THE GROUP

Changes to the Portfolio

Symrise announced the acquisition of the California-based **Flavor Infusion LLC** in June 2015, in an asset deal. With the acquisition, Symrise has expanded its product range for applications in the area of beverages and enhancing its position in the quickly growing market for flavored mineral water. As a

result, Symrise has secured direct access to the company's comprehensive know-how, its established products on the market and excellent customer base. Since its founding in 2004, Flavor Infusion LLC has built up proven expertise regarding development and process technologies for applications relating to natural beverages. Since then, the company has benefited from the dynamics of the beverage market in the USA, which has experienced strong growth in the areas of flavored water and teas as well as sports and energy drinks. This latest acquisition should therefore be viewed as the next strategic step toward achieving the best possible results from the growing consumer interest in healthy nutrition. Symrise integrated the activities of Flavor Infusion LLC into its US Flavor & Nutrition business in the third quarter of 2015. In the 2015 fiscal year, Flavor Infusion contributed about € 3 million to Group sales.

As part of the efforts to focus on the strategic core competencies of Diana Food, Diana CAP (Compagnie Alimentaire Pleu-cadeucienne) was sold to the Jean Floc'h Group on June 29, 2015. Diana CAP specializes in solutions for country-specific French meat dishes and sauces and generated annual sales of about € 29 million.

At the end of 2015, it was announced that the Diana Plant Science (DPS) site for cell-culture research in Portland, Oregon (USA), will be closed. Scientific research carried out there will be integrated into the research that takes place at Symrise headquarters in Holzminden.

As part of further business expansion in Asia, specifically in China, Symrise has begun planning an additional production site in the region. Given the dynamic business growth there, current capacities will soon be maxed out.

Strategic Partnership with BRAIN AG to Research Taste Sensations in Cats

The biotechnology company BRAIN AG and Diana Pet Food announced a strategic partnership in the area of feline taste research in April 2015. During the five-year cooperation, the partners will assess the mechanisms of taste perception in cats as part of various programs. The joint goal of the first program is to conduct research using proliferating cat taste cells (CTCs) in order to find new ingredients that improve the taste of cat food. There is a large need for flavor enhancements in the pet food segment: enhancements that are dependent on the sen-

sory perceptions of the pet, its individual preferences and the specific flavor properties of the pet food. With the realization of the joint program between Diana Pet Food and BRAIN AG, new paths to flavor enhancement are being opened that should support pet food manufacturers in their efforts to generate high-quality, pleasant-tasting products.

Expansion of Production Capacities in Cosmetic Ingredients

Symrise expanded its production capacities for cosmetic ingredients with a new plant at its Holzminden site in September and thereby laid the foundation for further expansion in Germany and the USA. The € 15 million investment considerably increases flexibility in production and also enhances backward integration, as important raw materials will be able to be manufactured on site in the future. The new plant also reduces energy consumption by recirculating exhaust heat, which is in line with the company's sustainability objectives. With these strategic measures, Symrise is further expanding its leading role in the development and production of innovative cosmetic raw materials.

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 € 2,602 million in the 2015 fiscal year. Sales increased 23 % over the previous year in the reporting currency (18 % at local currency). Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 6 %. The emerging markets' share of total Group sales amounted to 46 %. With the Diana acquisition, this share of sales decreased by one percentage point compared to the previous year, as the Diana division mainly generates its sales in developed markets. Earnings before interest, taxes, depreciation and amortization (EBITDA) at the Group level increased by 23 % from € 465 million (normalized) to € 572 million. This corresponds to an EBITDA margin of 22.0 % (normalized previous year: 21.9 %).

Net income for 2015 was up compared to the normalized previous year, increasing € 35 million to € 247 million. Earnings per share amounted to € 1.90 (normalized 2014: € 1.69). Given this positive development, Symrise AG's Executive Board will, in consultation with the Supervisory Board, propose raising the dividend from € 0.75 to € 0.80 per share at the Annual General Meeting on May 11, 2016.

ACHIEVEMENT OF TARGETS IN 2015

	Target at the Beginning of the Fiscal Year	Figure Achieved
Sales growth (at local currency)	notably above market growth rate of 2 to 3 %	18 % (without Diana 6 %)
EBITDA margin	about 20.0 %	22.0 %
Net debt (incl. provisions for pensions and similar obligations)/EBITDA	below 3.0	2.8

A COMPARISON BETWEEN THE ACTUAL AND FORECAST COURSE OF BUSINESS

At the start of 2015, we expressed our goal of posting sales growth at local currency in both segments well beyond the average market growth rate (2 to 3 %).

Assuming that raw materials prices remained at the level of 2014 and exchange rates did not change significantly from 2014, we anticipated an EBITDA margin of about 20 % for 2015.

Debt, as measured in terms of the key figure net debt (including provisions for pensions and similar obligations) to EBITDA, should be below 3.0 in 2015 due to the Diana acquisition. In the medium-term, we are aiming for a return to the debt range of 2.0 to 2.5.

With sales growth of 18 % at local currency, or 6 % without Diana, we have significantly exceeded our sales goals. The EBITDA margin of 22.0 % was above the expected value

for 2015. A net debt ratio to EBITDA of 2.8 was also within the expected range.

RESULT OF OPERATIONS

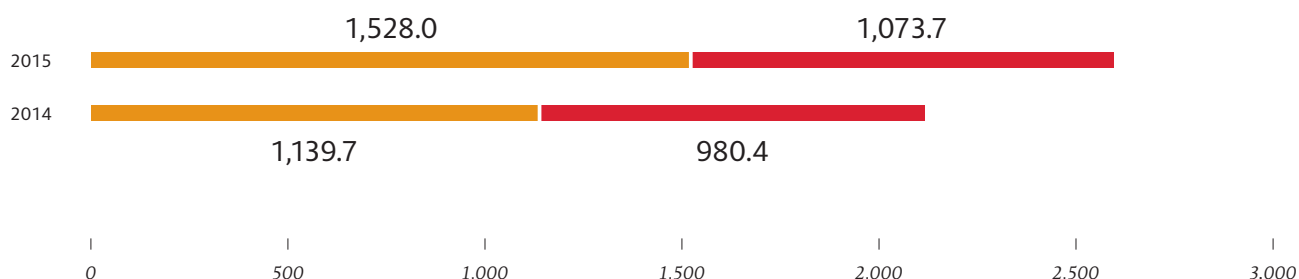
Group Sales

For 2015 as a whole, the Symrise Group generated sales of € 2,602 million. In comparison to the previous year, sales increased 23 % in the reporting currency and 18 % at local currency. Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 6 %.

Segments: Scent & Care was able to increase sales at local currency by 4 % to € 1,074 million. Sales in the Flavor & Nutrition segment reached € 1,528 million in the past fiscal year. This corresponds to an increase at local currency of 31 % compared to the previous year, due in large part to the Diana acquisition. Without Diana, growth at local currency for the Flavor & Nutrition segment would have amounted to 8 %.

SALES DEVELOPMENT OF THE SYMRISE GROUP (in € million)

● Flavor & Nutrition ● Scent & Care



SALES BY REGION

€ million	2014	2015	Change in %	Change in % at local currency
EAME	989.0	1,131.0	14	16
North America	408.6	571.8	40	19
Asia/Pacific	452.6	570.8	26	14
Latin America	269.8	328.1	22	36
Total	2,120.1	2,601.7	23	18

Regions: Sales in the EAME region were up 14 % for the year (at local currency: 16 %). The **North America** region also developed very positively in the 2015 fiscal year and achieved sales growth of 40 % compared to the previous year (at local currency: 19 %). Business in the **Asia/Pacific** region also developed positively, with a sales increase of 26 % (at local currency: 14 %). Sales in the **Latin America** region increased by 22 % compared to the previous year (at local currency: 36 %).

Sales in emerging markets exceeded the previous year's figures at local currency by 21 %. The share of this group of countries in total sales was 46 % in the 2015 fiscal year. With the Diana acquisition, this share of sales decreased by one percentage point compared to the previous year, as the Diana division mainly generates its sales in developed markets.

Scent & Care Sales

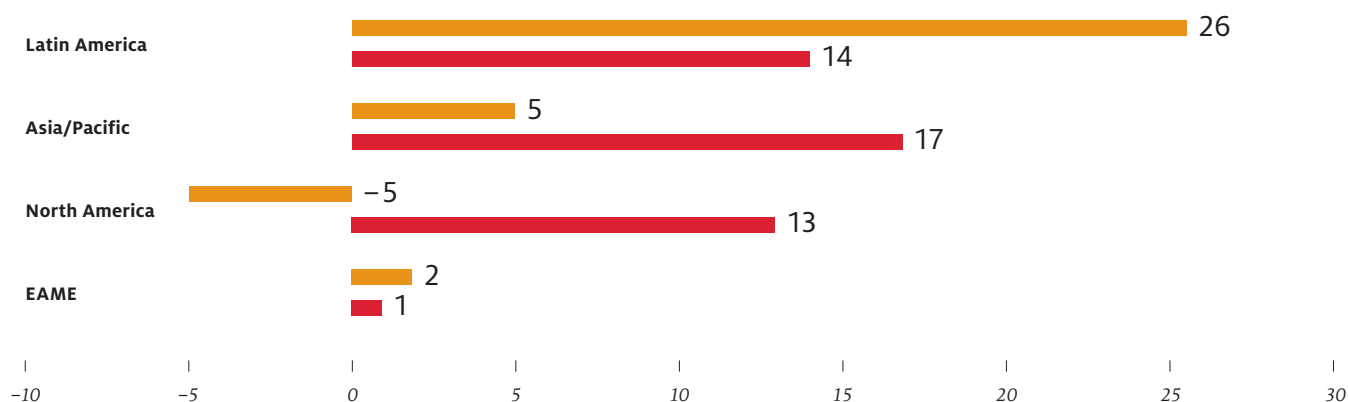
In the 2015 fiscal year, the Scent & Care segment generated sales of € 1,074 million. Sales were therefore up 10 % on the previous year's level. At local currency, this corresponds to growth of 4 %.

All divisions posted positive sales developments in the year under review. The greatest growth was achieved in the **Aroma Molecules** division, which generated a high, single-digit growth rate at local currency. The regions of Latin America, EAME and Asia/Pacific contributed high growth rates here, particularly in the Menthols and Special Fragrance Ingredients units.

The **Cosmetic Ingredients** division generated solid, single-digit growth at local currency in 2015, especially in the Cosmetic

SALES GROWTH IN THE SCENT & CARE SEGMENT *in %*

- at local currency
- at reporting currency



Ingredients business unit, which has global and regional customers mostly in China, Brazil, France and Japan.

The **Fragrances** division, which accounts for more than half of sales in the Scent & Care segment, posted a moderate single-digit sales growth rate at local currency in the 2015 fiscal year. In the Latin America region, all business units managed to substantially improve their sales. High growth rates were seen in Brazil, Mexico and Colombia. In the Asia/Pacific region, the business units Personal Care and Household successfully expanded sales. The North American region showed good growth in the reporting currency. However, sales were behind those of the previous year at local currency, especially in the Fine Fragrances and Household units.

Flavor & Nutrition Sales

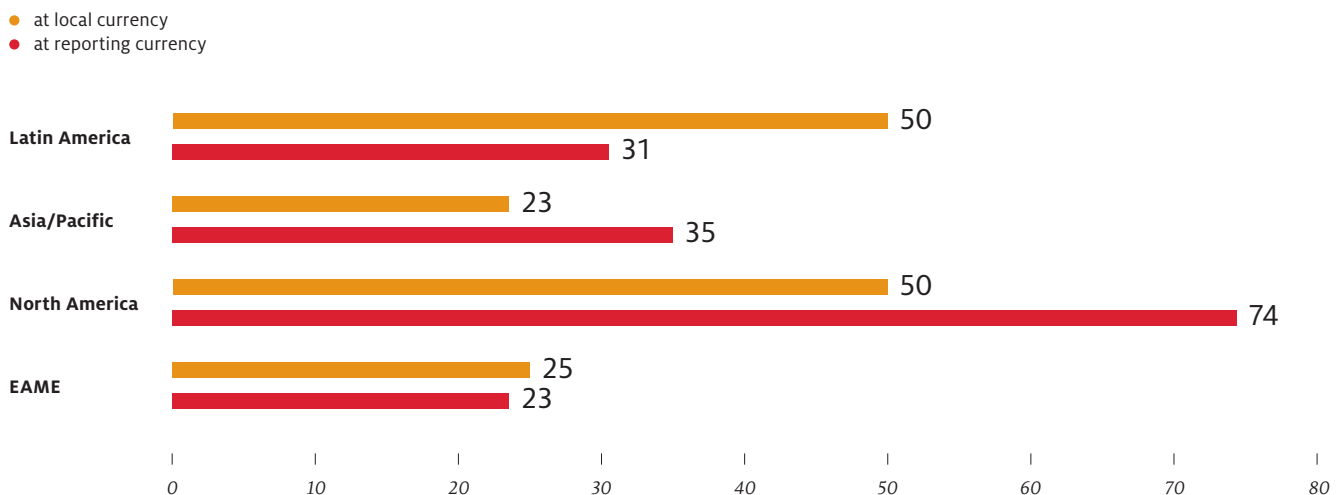
In the 2015 fiscal year, the Flavor & Nutrition segment generated sales of € 1,528 million. Compared to the previous year, this corresponds to growth of 34 %. At local currency the increase was 31 %. Without taking the portfolio effect into account that stemmed from the acquisition of the Diana Group in July 2014, sales growth at local currency amounted to 8 %.

In the **Flavors** division, every region managed to significantly increase their sales in the past fiscal year. Latin America led the charge here. Key growth stimuli came from Brazil,

Argentina and Mexico, where high growth rates with global and regional customers were generated in the Beverages and Savory business units. Further, sales in Russia, the US, Germany and Sweden also posted substantial growth. The business unit Savory excelled in Russia with seasoning mixes for global customers. In the US, vanilla flavorings once again provided strong growth. In Germany, the business units Beverages and Sweet generated high growth rates – particularly with regional and global customers. Sales performance in Sweden has been especially impressive. Here, Symrise developed a new flavor basis for the soft drinks sold worldwide at the drink stations at IKEA's bistros. Eight mixtures of natural flavors and extracts provide healthy refreshment, new tastes and fewer calories with 50 percent less sugar.

In the **Diana** division, all four regions substantially increased sales. The strongest growth was generated in Asia/Pacific, particularly in Thailand and Australia, thanks to the positive business development for aquacultures product solutions. In Latin America, the Pet Food business unit achieved good growth rates in Argentina and Mexico. The North American region posted particularly impressive developments in the Food and Pet Food business units, thanks in large part to an expansion of our customer portfolio.

SALES GROWTH IN THE FLAVOR & NUTRITION SEGMENT *in %*



INCOME STATEMENT IN SUMMARY

€ million	2014 Normalized	2015	Change in %
Sales	2,120.1	2,601.7	23
Costs of goods sold	– 1,218.1	– 1,490.1	22
Gross profit	902.0	1,111.6	23
Gross margin in %	42.5	42.7	
Selling and marketing expenses	– 340.4	– 426.9	25
Research and development expenses	– 138.9	– 169.6	22
Administration expenses	– 109.4	– 148.5	36
Other operating income	29.1	32.8	13
Other operating expenses	– 4.6	– 4.2	– 9
Income from operations/EBIT	337.9	395.2	17

Development of Material Line Items in the Income Statement

In 2015, the costs of goods sold rose by € 272 million, or 22 %, to € 1,490 million (2014: € 1,218.1 million).² The increase is primarily due to the acquisition of the Diana Group, which was consolidated for the first time in July 2014. It was included for the entire 2015 fiscal year. Moreover, costs of conversion have increased in comparison to last year's level. This stems from the expense for closing the DPS site and for provisions accounting for restructuring production in China. Gross profit increased by 23 % and amounted to € 1,112 million (2014: € 902 million). The gross margin was 42.7 % and therefore 0.2 percentage points higher than in the previous year (42.5 %).

Selling and marketing expenses were up by 25 % compared to the previous year, amounting to € 427 million (2014: € 340 million). This corresponds to 16.4 % of Group sales (2014: 16.1 %).

R&D expenses increased by 22 % to € 170 million (2014: € 139 million). The R&D rate was therefore 6.5 % (previous year: 6.6 %).

Administration expenses increased by 36 % to € 149 million (previous year: € 109 million). Administration expenses as a share of Group sales amounted to 5.7 % in the year under review (previous year: 5.2 %). 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. Administration expenses also rose due to the one-off transaction costs of acquiring Pinova Holdings, Inc.

Earnings Situation

Group: Earnings before interest, taxes, depreciation and amortization (EBITDA) were up 23 % in 2015 to € 572 million (2014 EBITDAN: € 465 million). The Diana acquisition, in particular, and the improved gross profit had positive effects on earnings compared to the previous year. The EBITDA margin was 22.0 % in the reporting year, compared to the normalized margin of 21.9 % from the previous year.

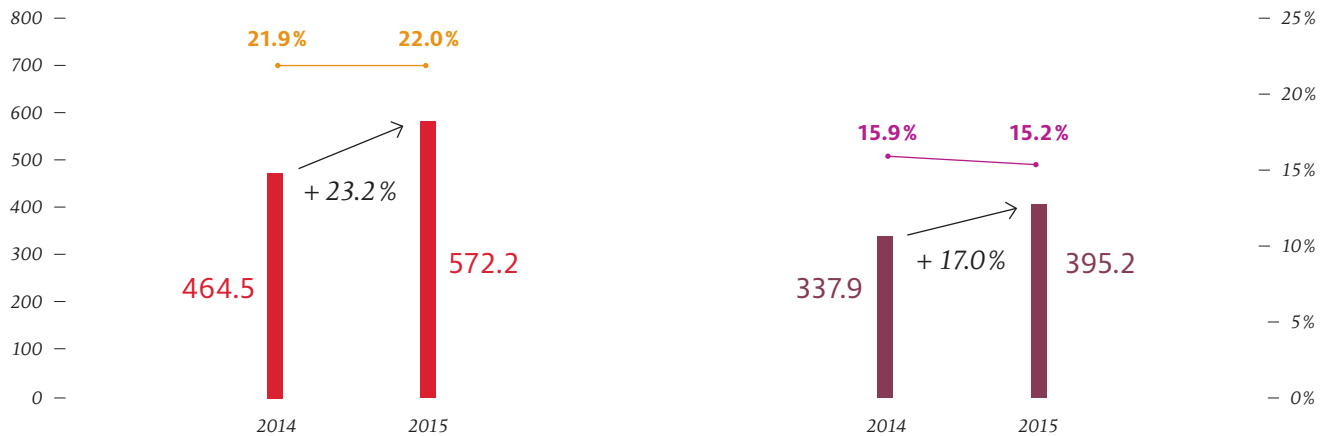
Scent & Care: Scent & Care generated an EBITDA of € 231.2 million in 2015. It was therefore 4 % higher than the previous year's level of € 222.9 million. The EBITDA margin amounted to 21.5 % compared to 22.7 % in 2014, particularly due to increased operating costs in selling and marketing expenses due to marketing initiatives in the fragrances unit, as well as research and development expenses.

Flavor & Nutrition: Owing in part to the Diana acquisition in the second half of 2014, EBITDA in the Flavor & Nutrition segment in 2015 was significantly higher than the previous year's

² In the 2014 fiscal year, acquisition and integration costs of € 20 million resulting from the purchase of the Diana Group impacted the operating result. As part of the purchase price allocation for the Diana acquisition, the acquired inventories had to be measured once at their fair value. These were consumed by the end of 2014. The increased material costs related to consuming these measured inventories lowered the operating result for 2014 by € 10 million. In the following section, we use normalized results (EBITN/EBITDAN) for the 2014 fiscal year adjusted for these one-off, non-recurring specific influences. A detailed summary of special influences is supplied on page 119 of this report.

OVERVIEW OF EARNINGS, in € million

● EBITDA ● EBIT ● EBITDA margin ● EBIT margin



level (2014 normalized: € 241.6 million), reaching € 341.0 million. The EBITDA margin amounted to 22.3% and therefore was significantly higher than in the previous year (2014 EBITDA margin: 21.2%).

Financial result: The financial result in 2015 of € –44.3 million represents an improvement of € 4.1 million compared to 2014. Compared to the normalized financial result from 2014, which accounted for € 7.8 million in specific influences, this results in a decline of € –3.7 million. This is mainly due to the complete inclusion of the interest for 2015 from the Euro-bond and the long-term syndicated loan. The net interest loss declined € 2.8 million in 2015 from € –41.7 million to € –44.5 million. Higher interest expenses for the bond and syndicated loan are counteracted by higher interest income, particularly from the emerging markets.

Taxes: In the 2015 fiscal year, income tax expense amounted to € 98.5 million (2014: € 72.9 million). The resulting tax rate of 28.1% was therefore identical to the previous year. An adequate provision for risk was made, as in previous years.

Net income and earnings per share: Net income amounted to € 247 million and therefore was € 35 million or 17% higher than the normalized value from the previous year. Earnings per share rose by 21 cents to € 1.90 (2014: € 1.69).

Dividend proposal for 2015: The Executive Board and Supervisory Board of Symrise AG will propose the distribution of a dividend of € 0.80 per share for the 2015 fiscal year at the Annual General Meeting on May 11, 2016. Symrise aims to continually achieve high yields for its shareholders and to enable shareholders to participate in the company's success by means of an appropriate dividend.

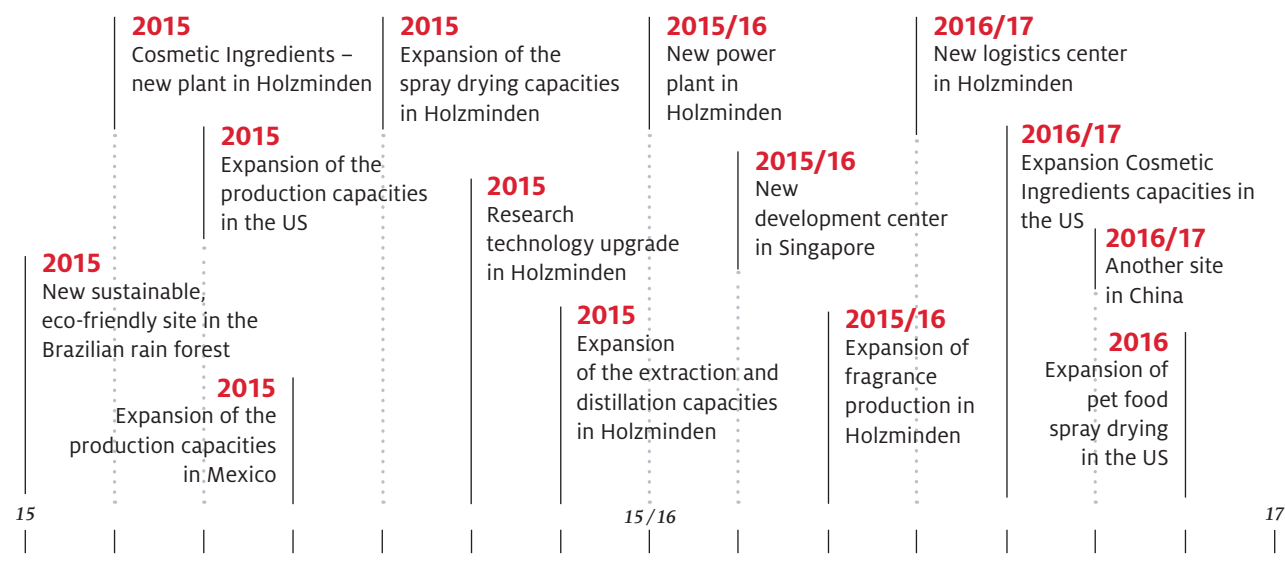
FINANCIAL POSITION**Cash Flow and Liquidity Analysis****OVERVIEW OF CASH FLOW**

€ million	2014	2015
Cash flow from operating activities	343.2	375.2
Cash flow from investing activities	– 476.8	– 151.4
Cash flow from financing activities	195.4	– 115.3
Cash and cash equivalents (Dec. 31)	199.2	278.2

Cash flow from operating activities amounted to € 375.2 million in 2015, about € 32 million more than in the previous year (€ 343.2 million). An improved operating result was primarily responsible for this outcome. The cash flow rate relative to sales thus was about 14%.

Cash outflow from investing activities dropped about € 325.4 million to € –151.4 million.

INVESTMENTS 2015 TO 2016



Cash outflow from financing activities amounted to € 115.3 million in 2015. A cash inflow of € 195.4 million was posted in the previous year. The cash outflow of 2015 is primarily comprised of the dividends paid out to shareholders amounting to € 97.4 million and net interest payments to financial institutes totaling € 32.6 million (previous year: € 63.1 million). All payment obligations were fulfilled in the fiscal year. There were no shortfalls in liquidity during the year nor are any expected in the foreseeable future. The company has sufficient credit lines available, e.g., in the form of a revolving credit facility totaling € 300 million that will remain available until May 2020. As of December 31, 2015, only a small portion of this has been utilized.

Investments and Acquisitions

The Symrise Group invested € 177 million in intangible assets and property, plant and equipment in the 2015 fiscal year, after spending € 101 million in the previous year. This € 177 million contains assets acquired from the American company Flavor Infusion LLC, provisionally amounting to € 29.4 million. The transaction was successfully completed in June 2015.

Around € 47 million was spent on intangible assets (2014: € 11 million). Along with the assets acquired from Flavor Infusion LLC, this mainly consisted of investments in software, patents and registrations of chemicals according to the European chemicals directive. Investments in property, plant and equipment amounted to approximately € 129 million (previous year: € 91 million). The largest investment projects were the new power plant in Holzminden, still under construction, and capacity expansions, particularly in chemical production for the Cosmetic Ingredients division, which is part of the Scent & Care segment, as well as spray drying and natural substance processing in the Flavor & Nutrition segment. All of the projects were funded through operating cash flow. Further, the increase in investments compared to the previous year can be traced back to the inclusion of the Diana Group in the 2015 Consolidated Financial Statements for the full year.

As of December 31, 2015, the Group had obligations to purchase property, plant and equipment amounting to € 43.9 million (December 31, 2014: € 25.9 million). This mainly relates to production facilities, hardware and office equipment. Most will come due during the course of 2016.

As part of the efforts to focus on the strategic core competencies of Diana Food, Diana CAP (Compagnie Alimentaire Pleucadeucienne) was sold to the Jean Floc'h Group on June 29, 2015, for €12.2 million. Diana CAP specializes in solutions for country-specific French meat dishes and sauces.

NET ASSETS

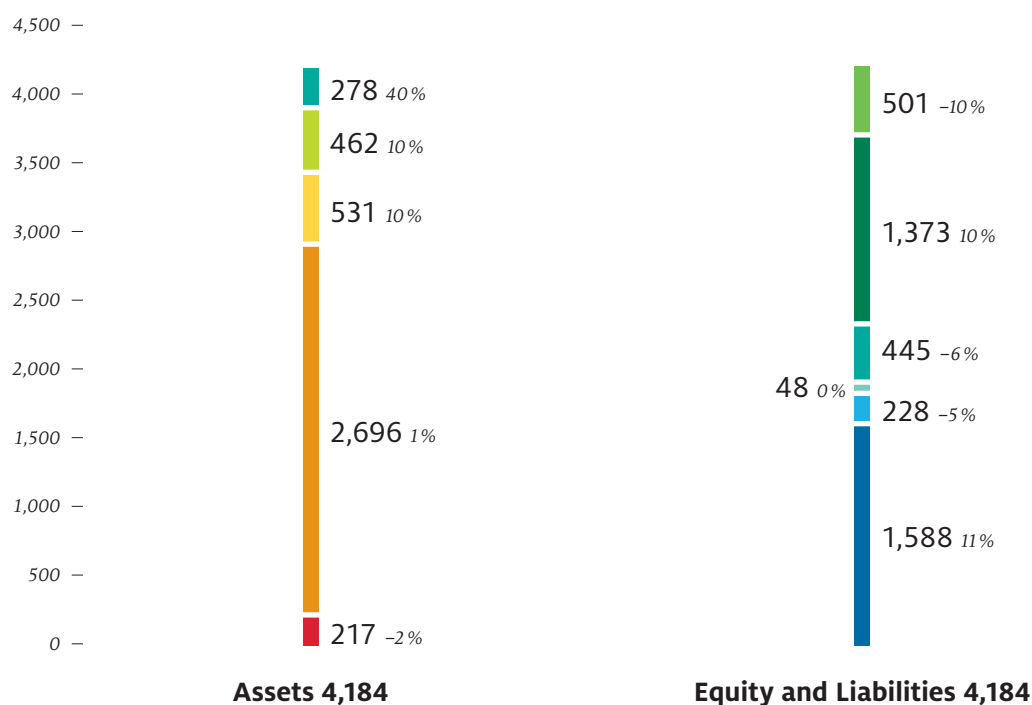
Select Line Items in the Statement of Financial Position

Total assets as of December 31, 2015, increased by €184 million to €4,184 million compared to the previous year (December 31, 2014: €4,000 million). This mainly resulted from an additional expansion in working capital as well as the increase in borrowings to finance the acquisition of Pinova Holdings, Inc., at the start of 2016.

Intangible assets amounted to €2,005 million as of the reporting date for 2015 and therefore were slightly below the previous year (December 31, 2014: €2,034 million). The item accounts for 48 % of assets. Intangible assets include goodwill acquired through business combinations amounting to €1,124 million (December 31, 2014: €1,091 million), as well as formulas, technologies, customer bases, trademarks, software, patents and other rights amounting to €881 million (December 31, 2014: €943 million). **Property, plant and equipment** amounted to €690 million at the end of 2015 (December 31, 2014: €640 million) and mainly contains land and buildings as well as plants and machinery. Compared to the previous year (December 31, 2014: €485 million), inventories increased €46 million to €531 million. The increase in inventories was primarily driven by the substantial rise in sales,

OVERVIEW OF THE STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2015, in € million

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



- Cash and cash equivalents
- Trade receivables
- Inventories
- Intangible assets and property, plant and equipment
- Other assets

- Current liabilities
- Non-current borrowings
- Provisions for pensions and similar obligations
- Other non-current liabilities
- Deferred tax liabilities
- Total equity

which also led to higher **trade receivables** (€ 462 million, December 31, 2014: € 421 million) and **trade payables** (€ 235 million, December 31, 2014: € 214 million) as of the end of the reporting period. The ratio of working capital to sales remained unchanged at 29 %. Symrise Group's **cash and cash equivalents** amounted to € 278 million as of December 31, 2015 (December 31, 2014: € 199 million). This includes a term deposit consisting of a partial amount of the promissory note loan issued at the end of 2015 to finance the purchase price for Pinova Holdings, Inc., due at the beginning of 2016.

The repayment of the use of the short-term credit line and also the new promissory note loans resulted in a shift in liabilities: **Current liabilities** are lower than in the previous year (€ 501 million, December 31, 2014: € 560 million), while **non-current liabilities** increased correspondingly (€ 2,094 million, December 31, 2014: € 2,008 million). Due to the rise in interest rates compared to the previous year, **provisions for pensions and similar obligations** decreased from € 474 million to € 445 million (interest rate for Germany: 2.4 %, December 31, 2014: 1.9 %).

Equity attributable to shareholders of Symrise AG as of December 31, 2015, amounted to € 1,568 million (December 31, 2014: € 1,414 million). A dividend of € 97 million was paid out in the 2015 fiscal for the year 2014. As of the end of the 2015 reporting period, the equity ratio was 37.5 % (December 31, 2014: 35.4 %).

Net Debt

€ million	2014	2015
Borrowings	1,365.0	1,409.3
Cash and cash equivalents	- 199.2	- 278.2
Net debt	1,165.8	1,131.1
Provisions for pensions and similar obligations	474.3	444.6
Net debt including provisions for pensions and similar obligations	1,640.1	1,575.7

The evaluation of compliance with the leverage covenants for the current and non-current borrowings is performed on the basis of the specifications in the various credit agreements. The leverage covenants are determined by basing the net debt or net debt incl. provisions for pensions and similar obligations on the EBITDA of the last 12 months. This amounts to net debt/EBITDA of 2.0 and net debt including provisions for pensions and similar obligations/EBITDA of 2.8.

We target a capital structure that allows us to cover our future potential financing needs at reasonable conditions by way of the capital markets. This provides us with a guaranteed high level of independence, security and financial flexibility. We will continue our earnings-oriented dividend policy and give our shareholders an appropriate share in the company's success. Additionally, we want to have access to the necessary financing instruments for attractive acquisition opportunities.

CAPITAL STRUCTURE

€ million	2014		2015		Change in %
		<i>in % of total equity and liabilities</i>		<i>in % of total equity and liabilities</i>	
Equity	1,432.2	36	1,588.2	38	11
Current liabilities	559.5	14	501.4	12	- 10
Non-current liabilities	2,008.1	50	2,094.2	50	4
Liabilities	2,567.6	64	2,595.6	62	1
Total equity and liabilities	3,999.8	100	4,183.8	100	5

Significant obligations not reflected on the statement of financial position exist in the form of obligations for the purchase of goods amounting to € 138.5 million (2014: € 127.2 million) and obligations regarding the purchase of property, plant and equipment amounting to € 43.9 million (2014: € 25.9 million). Symrise AG signed a service contract for outsourcing internal IT with a term until 2019 with Atos Origin GmbH. The remaining total obligations toward Atos amount to € 22.7 million accounting for extraordinary termination rights (2014: € 40.4 million).

Subsequent Report

Symrise announced its acquisition of **Pinova Holdings, Inc.**, with locations in Brunswick, Colonel's Island (Georgia, USA) and Jacksonville (Florida, USA), in September 2015. The transaction volume was USD 416 million. Pinova Holdings, Inc., is a leading provider of ingredients from natural and renewable raw materials that are mainly used in the production of perfumes and fragrances as well as in oral care products. With the acquisition, Symrise is further expanding its range of raw materials in fragrances and thus particularly strengthening its competitive position in the creation of perfume compositions. The company is also expanding forward integration in menthols through cooling substances, which are increasingly used in combination with menthol-based products. In the 2015 fiscal year, Pinova Holdings, Inc., generated sales of USD 273 million. The transaction was closed as anticipated on January 7, 2016. Symrise is targeting a quick integration of Pinova Holdings, Inc., to take advantage of the expected synergies as soon as possible.

In November 2015, Diana Naturals SAS, France, finalized a purchase contract for the acquisition of 60 % of the shares in Scelta Umami Holding BV, which is the parent company of the operating company Scelta Umami BV. Both are located in the Netherlands. The transaction was completed on January 6, 2016. Scelta Umami specializes in the manufacture and sale of mushroom concentrates and thereby supplements the product portfolio for the Flavor & Nutrition segment. In the 2015 fiscal year, Scelta Umami generated sales of € 4.1 million. The purchase price amounts to USD 8.2 million.

General Statement on the Company's Economic Situation

The Executive Board regards the Symrise Group's economic situation as positive. In 2015, the Group managed to once again substantially increase its sales and profitability. The company's financing is secured for the medium term. This holds true even when accounting for the most recent acquisition – the US-based company Pinova Holdings, Inc., in January 2016. 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 CORPORATE DEVELOPMENT

For 2016, 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 in the current year. Both segments, Scent & Care and Flavor & Nutrition, continue to expect sales growth at local currency notably above the market rate.

The strict cost management and focus on high-margin business will be continued to further increase earnings. This includes initiatives to reduce complexity and the development of innovative, sustainable products and technologies. Assuming that raw materials prices remain at the level of 2015 and exchange rates do not change significantly from 2015, the company once again anticipates an EBITDA margin of about 20 % for both segments in 2016. The ratio of net debt (including provisions for pensions and similar obligations) to EBITDA should be around 3.0 in 2016, above all due to the acquisition of Pinova Holdings, Inc., In the medium-term, the company is aiming for a return to the debt range of 2.0 to 2.5.

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

GENERAL STATEMENT ON THE COMPANY'S EXPECTED DEVELOPMENT

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

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

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

Corporate Governance Statement

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

Consolidated Income Statement with a Separate Presentation of the Special Influences from M&A and PPA

T€	2014	Specific influences M&A*	Specific influences PPA**	2014 Normalized	2015
Sales	2,120,107	0	0	2,120,107	2,601,730
Costs of goods sold	– 1,231,704	– 3,816	– 9,795	– 1,218,093	– 1,490,141
Gross profit	888,403	– 3,816	– 9,795	902,014	1,111,589
Selling and marketing expenses	– 345,203	– 4,800	0	– 340,403	– 426,912
Research and development expenses	– 139,350	– 462	0	– 138,888	– 169,640
Administration expenses	– 120,280	– 10,911	0	– 109,369	– 148,484
Other operating income	29,064	0	0	29,064	32,818
Other operating expenses	– 4,554	0	0	– 4,554	– 4,159
Income from operations/EBIT	308,080	– 19,989	– 9,795	337,864	395,212
Financial income	2,746	0	0	2,746	4,541
Financial expenses	– 51,116	– 7,826	0	– 43,290	– 48,860
Net finance costs	– 48,370	– 7,826	0	– 40,544	– 44,319
Profit before tax	259,710	– 27,815	– 9,795	297,320	350,893
Income taxes	– 72,943	7,698	3,267	– 83,908	– 98,504
Net income	186,767	– 20,117	– 6,528	213,412	252,389
of which attributable to the shareholders of Symrise AG	185,000	– 20,117	– 6,528	211,645	246,778
of which attributable to non-controlling interests	1,767	0	0	1,767	5,611
Earnings per share (€)					
– diluted and basic	1.48			1.69	1.90

* 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.

** 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 2014 fiscal year.

Consolidated Statement of Financial Position

T€	December 31, 2014	December 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents	199,228	278,178
Trade receivables	421,052	461,505
Inventories	484,690	531,446
Other assets and receivables	72,183	74,027
Financial assets	6,738	9,088
Current tax assets	11,576	23,252
	1,195,467	1,377,496
Non-current assets		
Intangible assets	2,034,325	2,005,489
Property, plant and equipment	639,683	690,135
Other assets and receivables	26,585	16,808
Financial assets	20,300	15,694
Investment property	2,182	0
Deferred tax assets	81,294	78,210
	2,804,369	2,806,336
TOTAL ASSETS	3,999,836	4,183,832

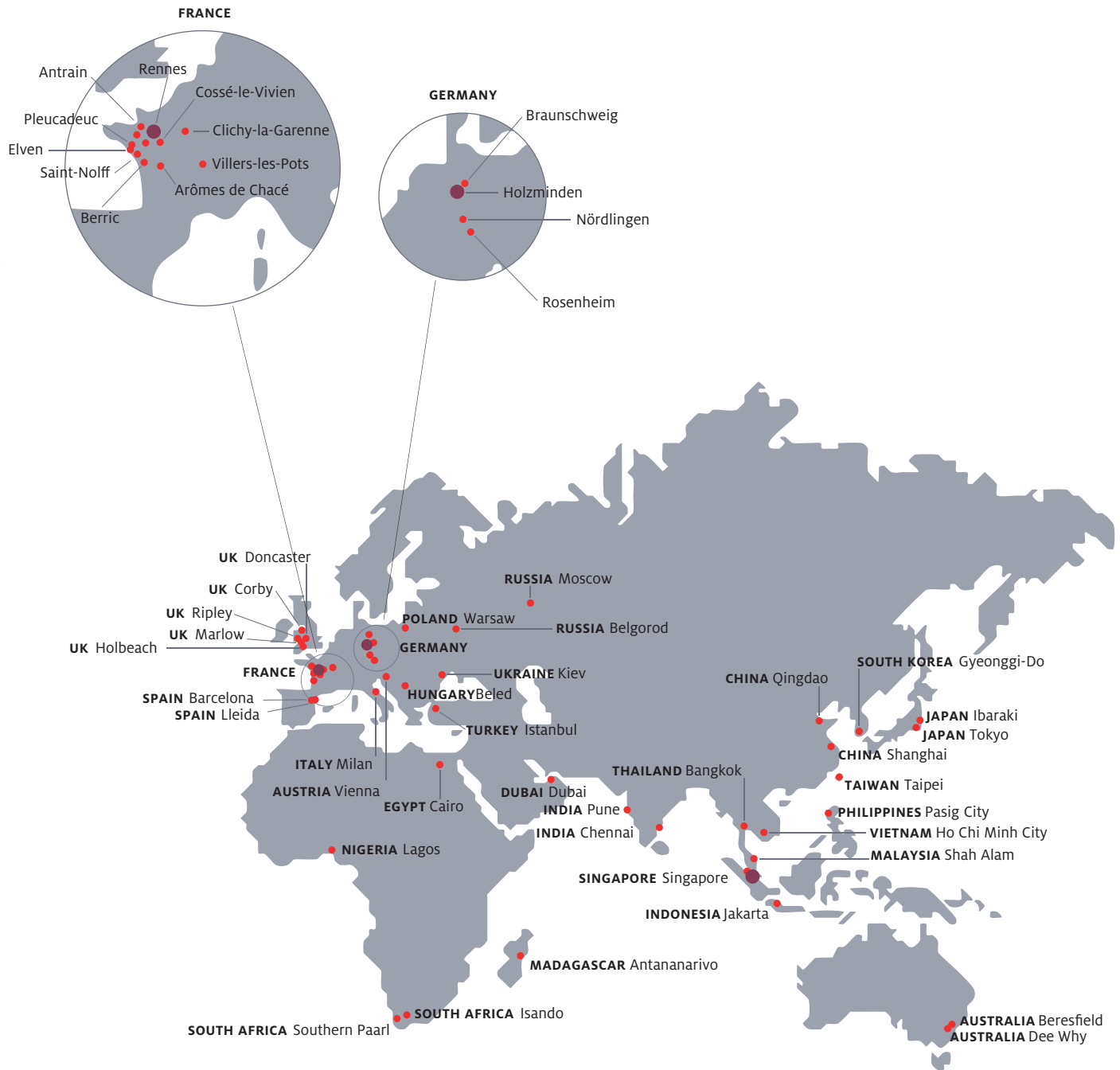
Consolidated Statement of Financial Position

T€	December 31, 2014	December 31, 2015
LIABILITIES		
Current liabilities		
Trade payables	213,527	234,702
Borrowings	120,319	35,995
Other liabilities	132,123	152,223
Other provisions	9,886	7,064
Other financial liabilities	10,535	5,573
Current income tax liabilities	73,171	65,869
	559,561	501,426
Non-current liabilities		
Borrowings	1,244,659	1,373,260
Other liabilities	4,417	5,180
Other provisions	18,940	22,208
Provisions for pensions and similar obligations	474,303	444,652
Other financial liabilities	9,125	7,094
Deferred tax liabilities	240,914	227,848
Current income tax liabilities	15,744	13,929
	2,008,102	2,094,171
TOTAL LIABILITIES	2,567,663	2,595,597
EQUITY		
Share capital	129,813	129,813
Capital reserve	1,375,957	1,375,957
Reserve for remeasurements (pensions)	– 169,159	– 136,389
Cumulative translation differences	– 37,075	– 62,707
Accumulated profit	112,169	259,210
Other reserves	2,488	2,448
Symrise AG shareholders' equity	1,414,193	1,568,332
Non-controlling interests	17,980	19,903
TOTAL EQUITY	1,432,173	1,588,235
LIABILITIES AND EQUITY	3,999,836	4,183,832

Global Locations

- Regional Headquarters
- Site





Financial Calendar

2016

March 8, 2016

Corporate and Financial Report 2015

May 10, 2016

Quarterly Statement January – March 2016

May 11, 2016

Annual General Meeting, Holzminden

August 11, 2016

Interim Report January – June 2016

November 2, 2016

Quarterly Statement January – September 2016

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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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