

# 2023 Greater China Sustainability Report



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# About dsm-firmenich

dsm-firmenich was launched on 8 May 2023. Our company brings together the best of two market leaders in fragrance, taste, texture, and nutrition, united in a common purpose: to bring progress to life, by combining the essential, the desirable, and the sustainable. dsm-firmenich is a Swiss-Dutch company, which is listed on the Euronext Amsterdam and with dual headquarters in Switzerland and the Netherlands. Our company has operations in almost 60 countries and revenues of more than €12 billion.

The year 2023 marked the culmination of a history stretching back over more than 125 years of purpose-led scientific discovery and innovation. The creation of dsm-firmenich brought together two industry leaders united by their long-standing commitment to sustainability and continuous evolution in an ever-changing world.

## Building on more than a century of transformation

DSM has had a long history of reinvention. Set up in 1902 to mine coal reserves in the southern Netherlands, its name originally stood for Dutch State Mines. Over the course of the 20th century, DSM transformed itself into a chemical company, beginning as early as 1919 with the opening of a coking plant.

From the 1990s onward, DSM underwent another transformation – this time, into a company focused on science-based health, nutrition, and sustainable living. Along the way, DSM worked with a wide range of partners to deliver innovative solutions that nourish, protect, and improve performance.

## From a startup to a global house of creators

Firmenich was founded as a startup in 1895, in Geneva (Switzerland) – more specifically, in the garage of Charles Firmenich. It was originally the business of Philippe Chuit, a scientist and visionary perfumery ingredients creator, and Martin Naef, a shrewd businessman. They were soon joined by entrepreneur Frédéric Firmenich.

After the retirement of Chuit, and later Naef, the Firmenich family became the sole shareholder. In 1939, the company's first research head, Leopold Ruzicka, was awarded the Nobel Prize in Chemistry. Over the years, Firmenich evolved – creating groundbreaking molecules, developing new flavors and fragrances, and driving sustainability.

## Our businesses



### Perfumery & Beauty

Perfumery & Beauty (P&B) is a new integrated Business Unit and composed of: Perfumery, Ingredients, and Personal Care. P&B has a strong reputation in perfumery, supported by its major ingredients backbone, including a leading position in renewables and naturals and an industry-leading creation palette orchestrated by an exceptional team of perfumers. Key priorities for P&B include green chemistry (scientific processes that respect planetary limits), conscious perfumery (the creation of sustainable fragrances and scents), and consumer-inspired innovation that delivers superior performance.




### Taste, Texture & Health

Taste, Texture & Health (TTH) comprises two divisions: Taste, which includes flavors, natural extracts and sugar reduction solutions; and Ingredient Solutions, which includes food enzymes, cultures, hydrocolloids, proteins, natural colorants, nutritional ingredients, premixes and yeast extracts. Our plant-based platform combines the portfolios and application and creation capabilities across the two divisions.



### Health, Nutrition & Care

Health, Nutrition & Care (HNC) offers solutions for the early life nutrition, dietary supplement, pharmaceutical, medical nutrition, and biomedical materials markets. We address specific consumer nutritional and wellness needs with our direct-to-consumer i-Health business. We also serve the nutrition improvement sector, providing affordable and accessible nutrition fortification solutions for some of the world's most vulnerable populations.



### Animal Nutrition & Health

Animal Nutrition & Health (ANH) offers science-based nutrition solutions, based on a broad portfolio of vitamins, regents, carotenoids, functional nutrition, and premixes. We are committed to ensuring the sustainable production of proteins while safeguarding animal welfare and health, providing practical solutions to the challenges facing the animal protein industry, and leading the livestock industry along the path of sustainable development to create a better life for people and future generations.

# 2023 Key Data

## 2023 Key Global Data

### People

Workforce at 31 December (headcount)

**29,301**



Female : male ratio

**37:63**



Female : male ratio (Global Management Team)

**35:65**



Frequency Index Total Recordable Incident Rate

**0.31**



Employee Engagement Index (in %)

**82**



### Environment

Primary energy use (in TJ)

**19,300**



Greenhouse gas emissions, Scope 1 and 2 (in kt CO<sub>2</sub>e)<sup>1</sup>

**915.4**



Greenhouse gas emissions, Scope 3 (in kt CO<sub>2</sub>e)

**9,996**



Percentage of purchased renewable electricity (in %)

**88**



### Financial performance (Pro forma 2023)

Sales from continuing operations (in EUR million)

**12,310**



Adjusted EBITDA from continuing operations<sup>2</sup> (in EUR million)

**1,777**



<sup>1</sup> Scope 1 and 2 GHG emissions are market-based.

<sup>2</sup> In presenting and discussing dsm-firmenich's financial position, operating results and cash flows, dsm-firmenich (like many other publicly listed companies) uses certain Alternative performance measures (APMs) not defined by IFRS and referred to as '(Core) Adjusted'. These APMs are used because they are an important measure of dsm-firmenich's business development and dsm-firmenich's management performance.



## 2023 Key China Data

### People

Workforce at 31 December (headcount)

**4,649**



Female : male ratio

**33:67**



Frequency Index Total Recordable Incident Rate

**0.04**



Employee Engagement Index (in %)

**83**



### Environment

Primary energy use (in TJ)

**1,609**



Greenhouse gas emissions, Scope 1 and 2 (in kt CO<sub>2</sub>e)<sup>3</sup>

**262.1**



Greenhouse gas emissions reduction (through energy efficiency projects) (in kt CO<sub>2</sub>e)

**6**



Percentage of purchased renewable electricity (in %)

**44**



### Financial performance

Sales from continuing operations (in RMB 100 million)<sup>4</sup>

**84.4**



<sup>3</sup> Scope 1 and 2 GHG emissions are market-based.

<sup>4</sup> The net sales include the data from the combined entities for 12 months, which includes both DSM and Firmenich as of 1 January 2023. The official merger date of dsm-firmenich is May 08, 2023.

# A Letter From the China President



## Dear Reader,

Greetings!

We are happy to share with you the dsm-firmenich China Sustainability Report (2023), the first to be released since our company's launch as an innovator in nutrition, health and beauty in May 2023.

2023 was a significant year in our company's history. We joined forces to create a new company dedicated to creating what is essential for life, desirable for consumers, and more sustainable for the planet, bringing progress to life for billions of people around the world.

I fondly remember the CEO of dsm-firmenich, Dimitri de Vreeze, joining us in China to celebrate this important milestone on the first day of the new company's launch, with myself, our employees and media friends on a number of occasions.

Following the launch, we customized and initiated the "Accelerate, China!" program to enhance employee understanding of our new business and facilitate integration and collaboration. Through a series of themed activities and on-site roadshows highlighting key solutions and products, the program provided a close look at our four businesses and key business partners.

## Synergies driving breakthrough innovation in the China business

Through a sustained commitment to innovative initiatives and joint efforts, we were pleased to witness the company's integration process far surpassed expectations in the first year. We have already seen the development of a unified culture in the workplace and have made notable progress in realizing business and operational synergies.

Looking back to 2023, we achieved breakthrough performance in China with several outstanding developments, aided by the government's continued optimization of the business environment, supportive policy in the areas of nutrition, health and beauty, recognition and trust from our customers and partners, and the combined efforts of all our employees.

Among our key businesses, Perfumery & Beauty launched a number of cutting-edge fragrance solutions based on solid consumer insights to create pleasurable experiences for consumers in China and globally. Influenced by current "China Chic" and "Oriental Fragrance" trends, dsm-firmenich cooperated with Xun Laboratory, a Chinese perfumery studio, to open Villa Harmony, jointly reinventing the ancient art of Chinese perfumery.

Post-merger, our advantages and synergies place us in a stronger position to create greater value for our customers, leveraging our scientific innovation and century-old industry

experience. As one of the business units to benefit from the positive impact of the merger, our Taste, Texture & Health further deepened its collaborative partnership with Yili last year, following the principle of "mutual trust, mutual benefit, win-win" results. Cooperating in various areas such as technology innovation and sustainable development, the company will strive to jointly promote the high-quality development of China's dairy industry.

In addition to the significant progress we have achieved in business development and strategic cooperation, dsm-firmenich has also made important breakthroughs in scientific innovation. In 2023, two of our human milk oligosaccharide (HMO) ingredients from Health, Nutrition & Care have been approved as fortifiers for infant nutrition formula in China. This approval represents a significant milestone as it will create new opportunities for innovation in the field of early life nutrition. Importantly, this will improve accessibility to the unique benefits of HMOs to infants and young children across the country.

Furthermore, in 2023, Animal Nutrition & Health won the

"Golden Key" award from the Ministry of Commerce's "Guide to Sustainable Development Economy". The award was granted for two outstanding innovations regarding sustainable development in the livestock sector, namely, the Bovaer® solution and the Intelligent Sustainability Service Sustell™. The "Golden Key" award was presented by the Ministry of Commerce's Sustainable Development Economic Guide (SDEG).

Especially remarkable was our presence at the very first China International Supply Chain Expo last year. This marked the first participation of dsm-firmenich in a national-level exhibition focusing on the supply chain. During the Expo, we showcased our innovative products, technologies, and solutions covering our four Business Units. In the face of accelerating restructuring of the global supply chain, dsm-firmenich has taken advantage of its cutting-edge science & research strength and excellent manufacturing level to provide solutions from infancy to elderly age, and from physical health to emotional health, demonstrating our commitment to the purpose of "bringing progress to life".

## Actively practicing the sustainability philosophy

The success of dsm-firmenich over the past century has come from its purpose-driven commitment to the sustainability, achieving harmonious development for people, planet and profit. As China's "dual carbon" goal advances, we are actively responding to local renewable electricity trading policies. In 2023 alone, the proportion of renewable electricity in all our plants in China reached 44%, and six of our operating sites have signed five-year Renewable Electricity Purchase Agreements, which will gradually realize 100% renewable electricity usage from 2024 to 2028, contributing to the low-carbon development of the industrial supply chain.

Moreover, to elevate our corporate branding and showcased how our expertise benefits communities across China, we launched the dsm-firmenich China Women's Health Enabler Initiative in 2023. The initiative focused on the nutritional health needs of Chinese women, assisting them to improve their family's dietary literacy, health and wellbeing, while contributing to the realization of the "Healthy China 2030" goal. By the end of 2023, the program had reached more than 1 million people in China, covering 200,000 rural children and their families. This was achieved through its offline collaboration with the China Rural Development

Foundation, empowering the "Companion Mom" program, and the online launch of the health promotion video series, "Through Women to All".

Looking ahead to 2024, we are confident in our long-term commitment to China as the country continues to expand high-level opening-up and accelerate the development of new quality productive forces. Upholding our purpose "We bring progress to life", dsm-firmenich will continue to fully leverage its global industry resources and extensive experience. Working together with our local partners and stakeholders, we will continue to drive the integration and optimization of the value chain in the fields of nutrition, health, and beauty through scientific and technological innovations, while promoting the associated economic, social and environmental benefits.

Thank you all!

Joe Zhou  
dsm-firmenich China President  
April 2024

# Our Purpose and Value

## We bring progress to life

With a diverse, worldwide team of nearly 30,000 employees, we are innovators in nutrition, health, and beauty. We reinvent, manufacture, and combine vital nutrients, flavors, and fragrances to help the world's growing population thrive, sustainably.

We bring together a comprehensive range of solutions, with a portfolio of high-quality natural and renewable ingredients and a team of cutting-edge scientists, breakthrough innovators and passionate creators who draw on a combined legacy of more than 125 years of purpose-led scientific discovery and innovation.

Working in close collaboration with our customers, we combine what is essential for life, desirable for consumers, and more sustainable for our planet. At the center of these three: we seek to tackle the tension between what consumers individually want (the **desirable**), what society needs (the **essential**), and what the planet demands (the **sustainable**).

We touch the lives of people throughout the day with our innovative solutions – whether through personalized morning supplements containing essential vitamins, omegas, and probiotics, a revitalizing mid-morning drink from healthy cows that produce less methane, a tasty burger made with plant-based proteins for lunch, or a dash of fine fragrance that creates positive emotions and enhances well-being at any hour of the day.

## Our business units

From fragrances to farming, meals to micronutrients, our four distinct yet complementary Business Units strive to address the latest consumer needs and wants in a sustainable way. We are uniquely positioned to help our customers realize their ambitions and address evolving consumer trends. We do this by creatively applying proven science and drawing on data-driven innovation capabilities as well as exceptional standards of operational excellence.

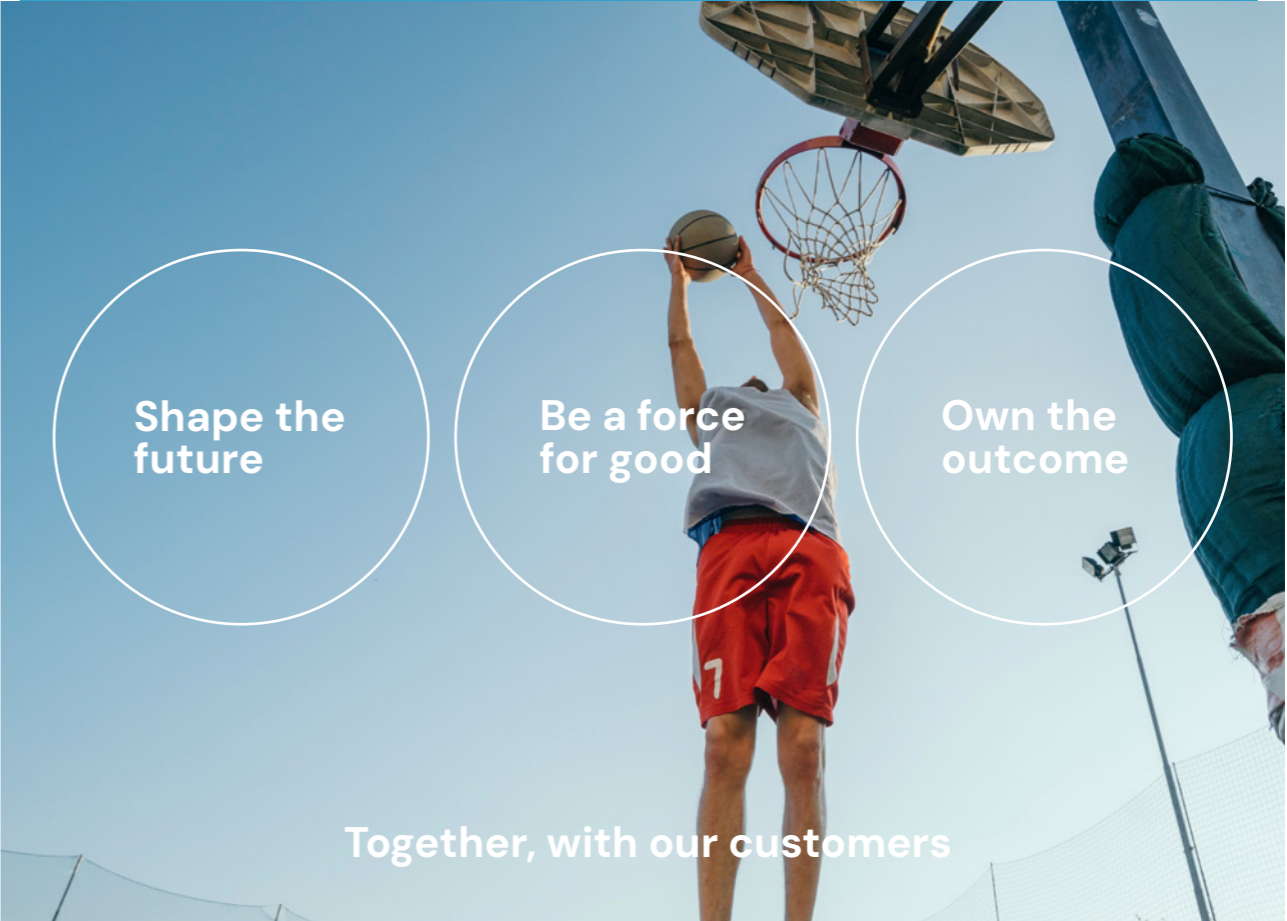
			
<p><b>Perfumery &amp; Beauty</b></p>	<p><b>Taste, Texture &amp; Health</b></p>	<p><b>Health, Nutrition &amp; Care</b></p>	<p><b>Animal Nutrition &amp; Health</b></p>
<p>Delighting the world with superior scents created from a palette of sustainable ingredients</p>	<p>Partnering with the food and beverage industry to overcome the trade-off between palate and planet</p>	<p>Delivering critical nutrients for proactive health in every stage of life and for every sort of lifestyle</p>	<p>Powering the production of sustainable animal protein, transforming global food systems for good</p>
<p>Building on the strength of Perfumery, Ingredients, and Personal Care, we create superior scents and beauty solutions with proven benefits—always with the consumer in mind. Creating fragrances that smell amazing and make people feel even better, using the largest palette of high-quality natural, synthetic, and biotech ingredients.</p>	<p>We help our customers create food and beverage products that are delicious, nutritious, affordable, and sustainable. Providing enjoyment and nourishment for consumers, business success for customers, and seeking better health for people and our planet.</p>	<p>We provide consumers with a way to proactively look after their health by providing critical nutrients for their diets at various stages of their lives. We drive medical innovation forward, helping to speed up recovery, and enhancing quality of life.</p>	<p>We provide the means to deliver animal proteins efficiently and sustainably, and to support animal health. By harnessing the power of data and science, we help to make animal farming practices more sustainable, productive, and transparent.</p>

## Our people and our values

At dsm-firmenich, our individual talents drive collective progress. Guided by our values, our diverse, worldwide team of nearly 30,000 employees has a shared passion for a more sustainable future.

We strive to be a **force for good**. Because caring about customers, communities, people, and the planet is the right thing to do. And this is the only way to grow an enduring, profitable business. Sustainability is at the core of our strategy as we develop our roadmap and science-based targets based on the United Nations' (UN) Sustainable Development Goals, The Ten Principles of the UN Global Compact and the Paris Agreement on climate.

**Our values**



Together, with our customers

We make bold commitments to positively **shape the future**, and we go above and beyond to fulfill them as we **own the outcome** of what we do.

Ultimately, we recognize we can do so much more **together**, so we work as one team, partnering with our suppliers, customers, worldwide organizations, and many others to make a measurable difference.

## dsm-firmenich in China

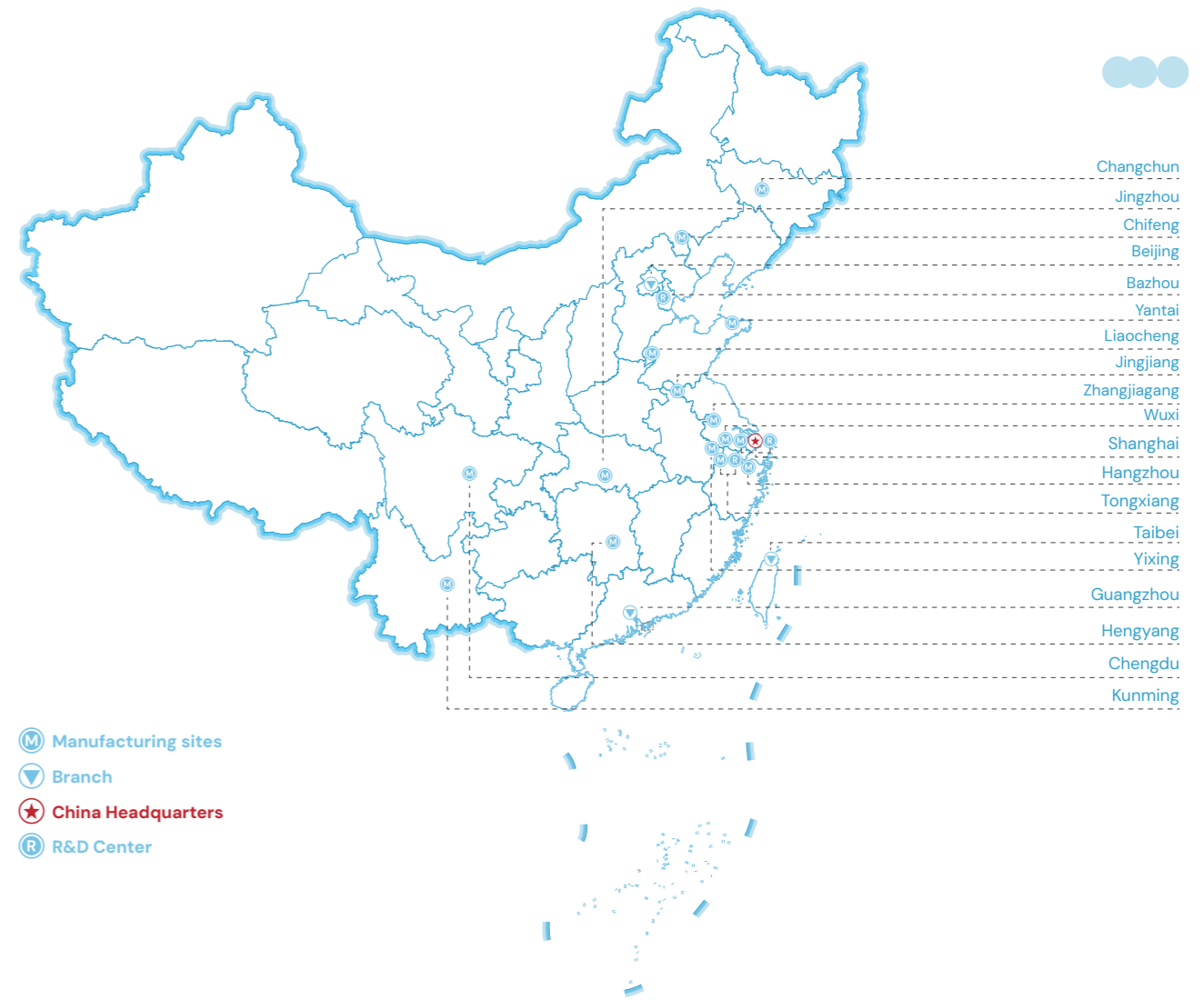
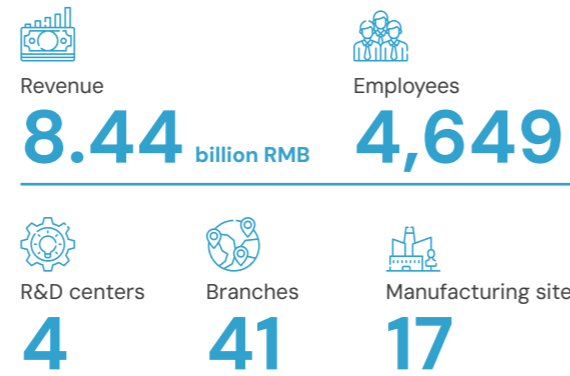
### dsm-firmenich activities in China

As innovators in nutrition, health, and beauty, dsm-firmenich reinvents, manufactures, and combines vital nutrients, flavors, and fragrances for the world's growing population to thrive. With our comprehensive range of solutions, with natural and renewable ingredients and renowned science and technology capabilities, we work to create what is essential for life, desirable for consumers, and more sustainable for the planet.

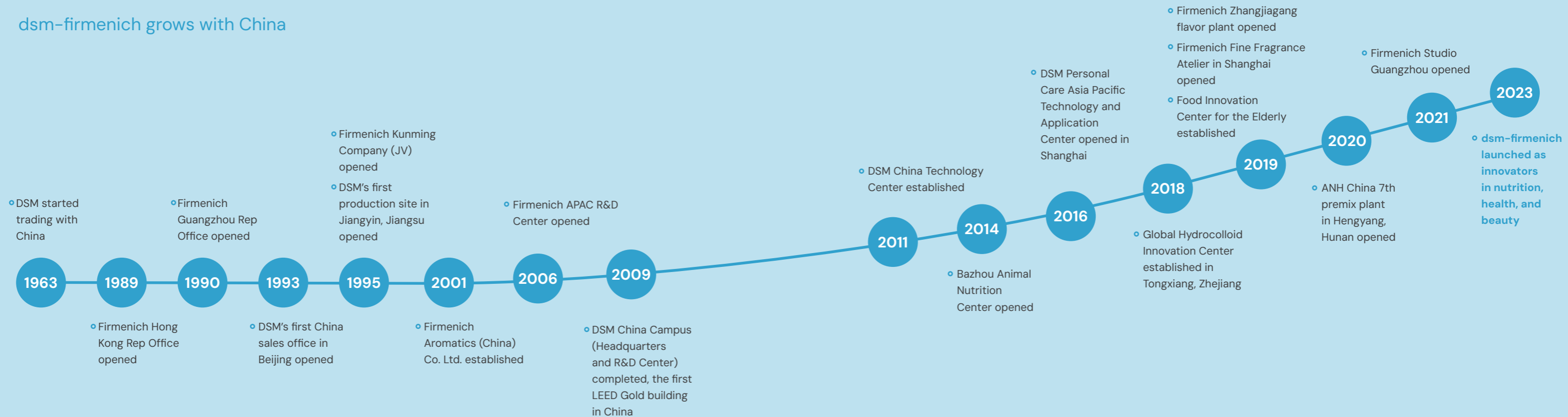
In China, dsm-firmenich's trading history dates back as far as 1963. After sixty years of continuous development, dsm-firmenich now has 4,649 employees spread across over 40 facilities and branches in China, including four R&D centers and more than ten manufacturing sites.

#### Facts and Figures, dsm-firmenich Greater China

(up to October 2023)



### dsm-firmenich grows with China



# Strategy

dsm-firmenich brings together the best of two iconic global companies to form a category of one. As innovators in nutrition, health and beauty, we make it our purpose to bring progress to life – by combining the essential, the desirable, and the sustainable. We reinvent, manufacture, and combine nutrients, flavors, and fragrances to meet the evolving needs and expectations of the world’s growing population while at the same time addressing the urgent sustainability challenges facing our planet.

## Our approach to business

The merger of DSM and Firmenich created a world-leader in nutrition, health and beauty. Through its highly integrated portfolio of nutritional, natural and renewable ingredients, together with complementary science capabilities and technologies, it is positioned to deliver superior innovation-led growth. By creatively applying proven science and drawing on data-driven innovation capabilities as well as exceptional standards of operational excellence, dsm-firmenich seeks to tackle the tension between what society needs, what people individually want, and what the planet demands. By working closely together with customers to create what is essential for life as well as desirable for consumers yet simultaneously more sustainable for the planet, dsm-firmenich is poised to bring progress to life for people around the world. dsm-firmenich is organized in four distinct high-performing businesses, rooted in complementary world-class scientific research and manufacturing excellence: Perfumery & Beauty; Taste, Texture & Health; Health, Nutrition & Care; Animal Nutrition & Health.





## Sustainability

We are a purpose-led company and we place people and planet at the core of our strategy, directly alongside financial performance. Formed of two science-driven companies, both with a track record as global sustainability leaders, we are determined to keep increasing our positive impact and raising our standards in helping to tackle climate change, protect nature, and care for people all along our value chain. Sustainability lies at the heart of our development and business activities and we develop our roadmap and science-based targets based on the United Nations (UN) Sustainable Development Goals, The Ten Principles of the UN Global Compact and the Paris Agreement on climate. Our bold commitments to shape a better future are evidence-based and measurable, and we go above and beyond what is required of us in pursuit of lasting positive impact. Our values are underpinned by a shared passion for a more sustainable future. Caring about customers, communities, people, and the planet is not only the right thing to do; it is the only way to grow a profitable and enduring business.

## Our principles for progress

In 2023, we set the fundamental principles on how the different parts of our organization work together and deliver value, to achieve our vision of being the leading co-creation and innovation partner in nutrition, health, and beauty. Our four complementary Business Units are supported by Group Business Partners such as Science & Research, Finance, Human Resources, Sustainability, Procurements, Safety, Health and Environment and Digital & Tech.

The following principles govern our operating model:

The Group has first priority	Business-led unless	Business partners enable excellence and efficiency	Right decision at the right level
dsm-firmenich will operate as one group that drives the priorities, strategy and standards	Business units will have a high degree of autonomy to ensure our market approach is agile and close to customers	Business partners provide knowledge, passion, dedication, and expertise in their domain to Bus	Regional and local teams will be empowered to work with speed, simplicity, and with a focus on the customer
			



## Our drivers of success

Through our shared strengths and complementary capabilities, we are uniquely positioned to provide visionary and science-backed solutions that tackle key global challenges and help shape the future. We drive growth and positive change with the aim of better meeting consumers' needs. We deliver added value thanks to the skill and passion of our people and our combination of creation and science capabilities, augmented by new data-driven and digital business models.

## Our people

Our team of nearly 30,000 people is dedicated to achieving our purpose and creating measurable added value for our customers. From our master perfumers and leading scientists to our support staff and plant workers, we take pride in our craft and have an uncompromising commitment to quality and innovation. Our defining values guide our aspirations: To be a force for good in the world, to own the outcome of our endeavors, and to act together with our customers.

Along with our purpose, these values established following the merger in May 2023 underpin what we stand for and how we make choices in our day-to-day delivery to our customers and stakeholders. Shared values are an essential driver for success as we elaborate our plans for integrated rewards, people development, safety, health and well-being, employee engagement, and diversity, equity and inclusion.



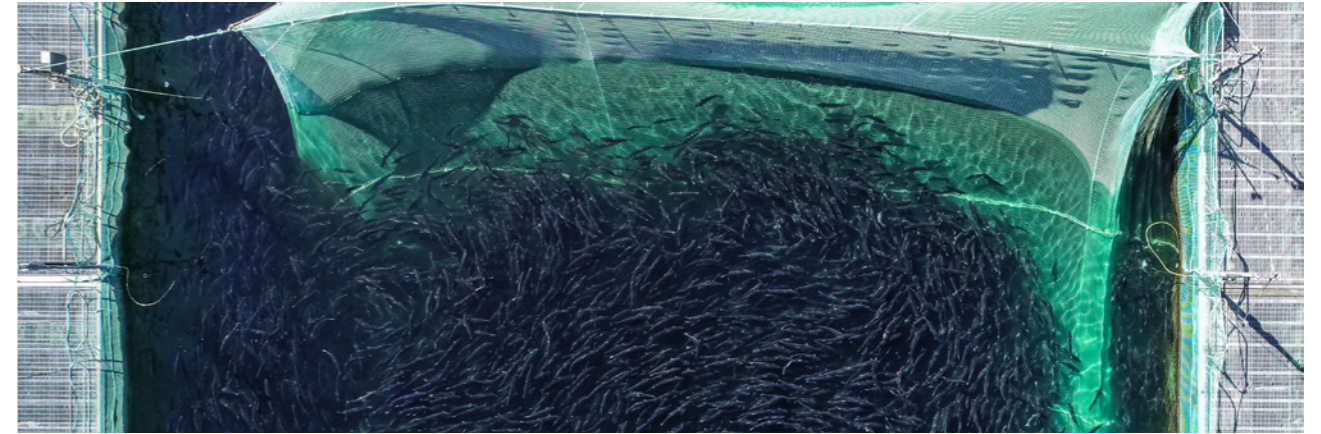
## Our innovation capacity

We build on the foundations of more than a century of purpose-led scientific discovery and innovation to create positive impact for people and planet. Our growing portfolio of more than 16,000 patents and more than €700 million in annual R&D and innovation investment enables our Science & Research team across 15 research hubs to deliver transformative new solutions.

Our Science & Research team works in partnership with our Business Unit innovation teams and their 40 creation centers and 75 application laboratories to deliver differentiating innovations for our customers. We believe that collaboration offers the best chance of addressing the myriad challenges our world faces, and we champion an ecosystem approach that thrives on more than 100 collaborative relationships with academics, startups, and established companies.

## Our market proximity

Our 340 sites across the world allow us to combine a global outlook with local insights and market proximity, enabling us to offer our customers a comprehensive range of value-adding solutions and to co-create with them on the basis of our wide-ranging expertise and scientific and technological capabilities. We operate to exacting safety and quality standards worldwide to ensure consistency and continuity of supply.



## Our foundation

We recognize that our global presence brings with it not only opportunities but also responsibilities. Quality, safety and compliance form the foundation for all our business activities and priorities, and are anchored in the principles of our Code of Business Ethics and policies.

## Quality

With our strong purpose and values, we are committed to leading our industry by consistently providing best-in-class, safe, and reliable solutions and to being recognized as the trusted first choice of our customers. At dsm-firmenich, quality is viewed as every customer's right and every employee's responsibility. Through the implementation of our new Quality Policy Statement, we foster one single quality community across all our businesses, with a permanent brief to drive excellence and continuous improvement. Our quality culture is dedicated to maintaining uncompromising standards, and we take pride in the care with which we craft products and solutions for our customers.

## Safety, Health & Environment

Our commitment to safety, health & environment transcends borders and cultures. It is driven by our core belief that safeguarding our people, communities, and planet is not just good business: it is the right thing to do. We value and protect people by constantly striving to enhance health and safety. Our Safety, Health & Environment (SHE) policy is a promise to our employees, partners, customers, and stakeholders to hold ourselves to exemplary standards so that we not only ensure our own sustained growth but also contribute to a safer, healthier, and more sustainable world.

## Ethics and compliance

Our legal, regulatory and compliance team plays a vital role in enabling business growth, connecting our company with opportunities and protecting our interests and values. We strive to ensure that we operate to the highest legal and regulatory standards while carefully managing our risk exposure and upholding our commitment to ethical business practices as enshrined in our Code of Business Ethics, in close collaboration with all the company's stakeholders.

# Sustainability Approaches

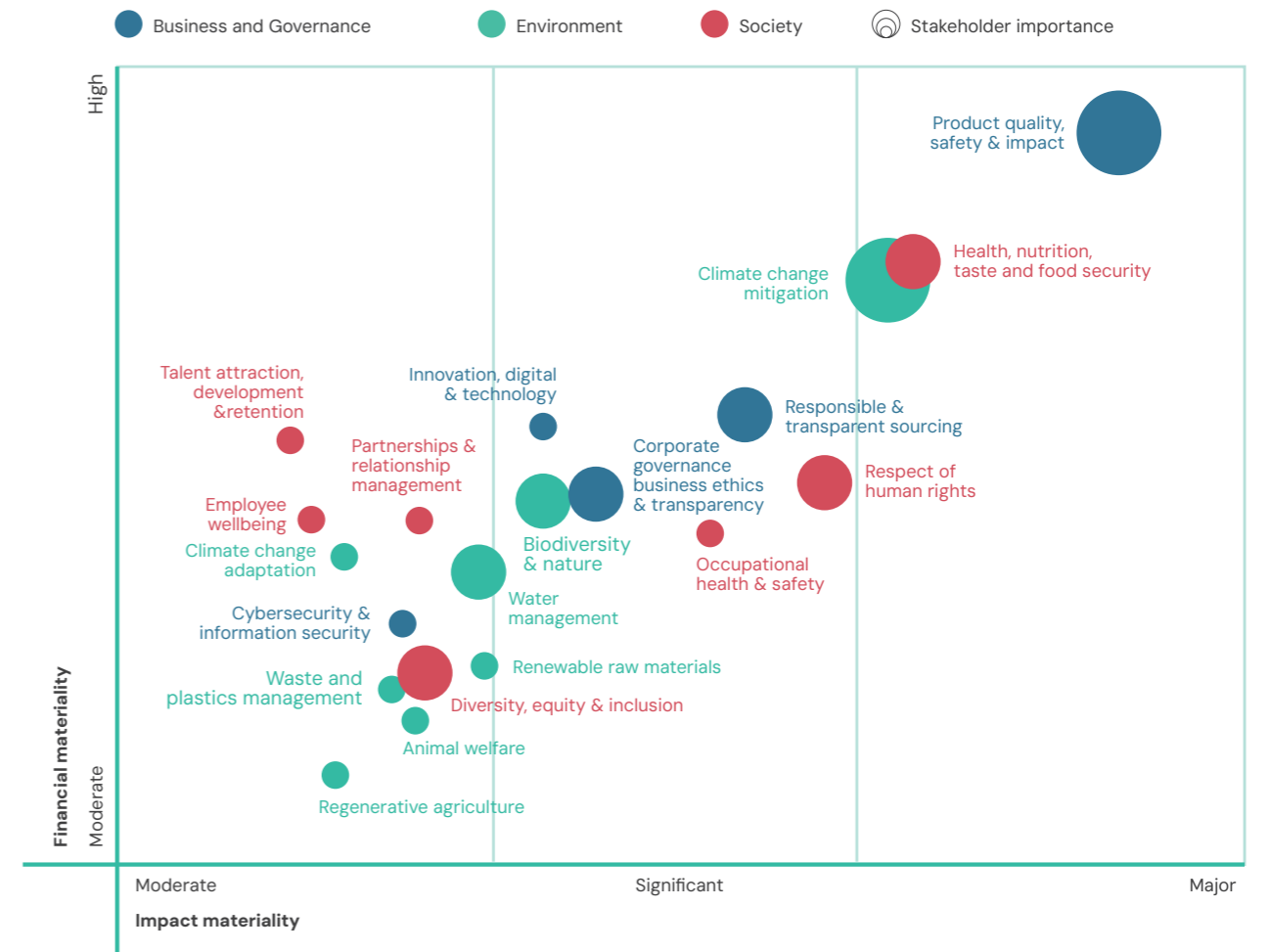
Our new dsm-firmenich values were announced in May 2023 together with our purpose: We bring progress to life. Having shared values is an essential driver for success in our integration.

## Materiality Matrix and value creation model

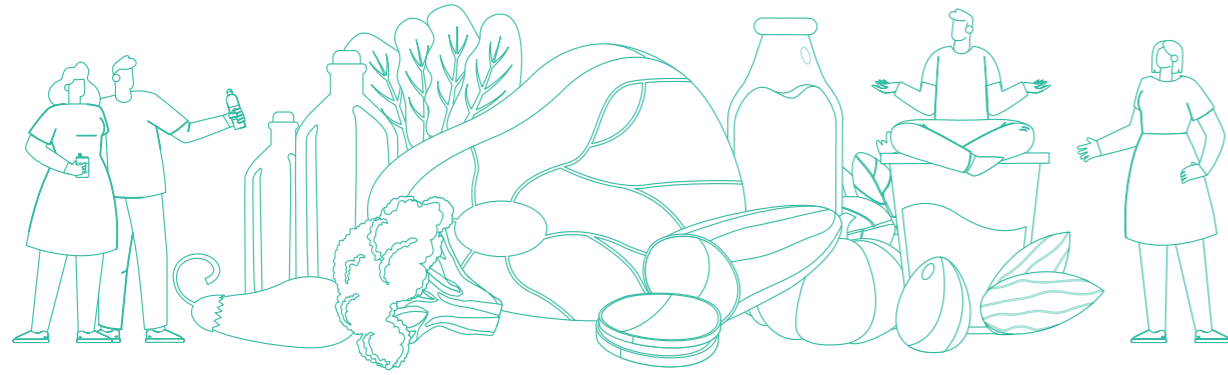
### Materiality Matrix

Within the dynamic landscape of sustainable business practices, our commitment to transparency and stakeholder engagement takes center stage. At the heart of our disclosure strategy lies the Materiality Matrix, a powerful tool that not only reflects our dedication to responsible corporate governance but also serves as a compass guiding our sustainability journey. It guides us to determine our sustainability priorities, and to adjust our goals and performance indicators in line with up-to-date sustainability issues and with our stakeholders' expectations and concerns. In addition, the consultation process is a valuable tool to engage our colleagues, customers, suppliers, and investors on our sustainability journey by including them in defining its future direction.

### Materiality Matrix



Our Materiality assessment process followed the approach described in the EU Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) and is in accordance with the GRI Standards. It applied a double materiality approach. Double materiality is composed of impact materiality (the actual and potential impacts of our company on the environment and society) and financial materiality (the material societal and environmental risks and opportunities that may affect the company). Our materiality assessment is based on materiality assessments conducted at the Business Unit level supplemented with input from the Group.



## Value creation model

Our value creation model visualizes how our business model takes capital inputs and converts these into value outputs and impact, enabling us to deliver on our purpose. At dsm-firmenich, value creation extends beyond financial metrics; it encapsulates the intricate interplay of economic, environmental, and social factors that define our commitment to sustainable and responsible business practices. Our value creation model is based on the value creation and capitals concepts of the Integrated Reporting Framework.

### We bring progress to life...

...by combining the essential, the desirable, and the sustainable.



<sup>5</sup> All financial information is for continuing operations. R&D expenditure includes Firmenich as of 1 January 2023 (pro forma). All other financial information is presented in accordance with IFRS, which includes Firmenich from the merger date onwards.

## Our guiding principles

We believe that business can be a force for good. We advocate the positive role of business in society and the beneficial impact that companies can bring on Climate and Nature, Nutrition and Health, and People. Through measuring our impacts, we demonstrate how we contribute to positive outcomes for society and environment.

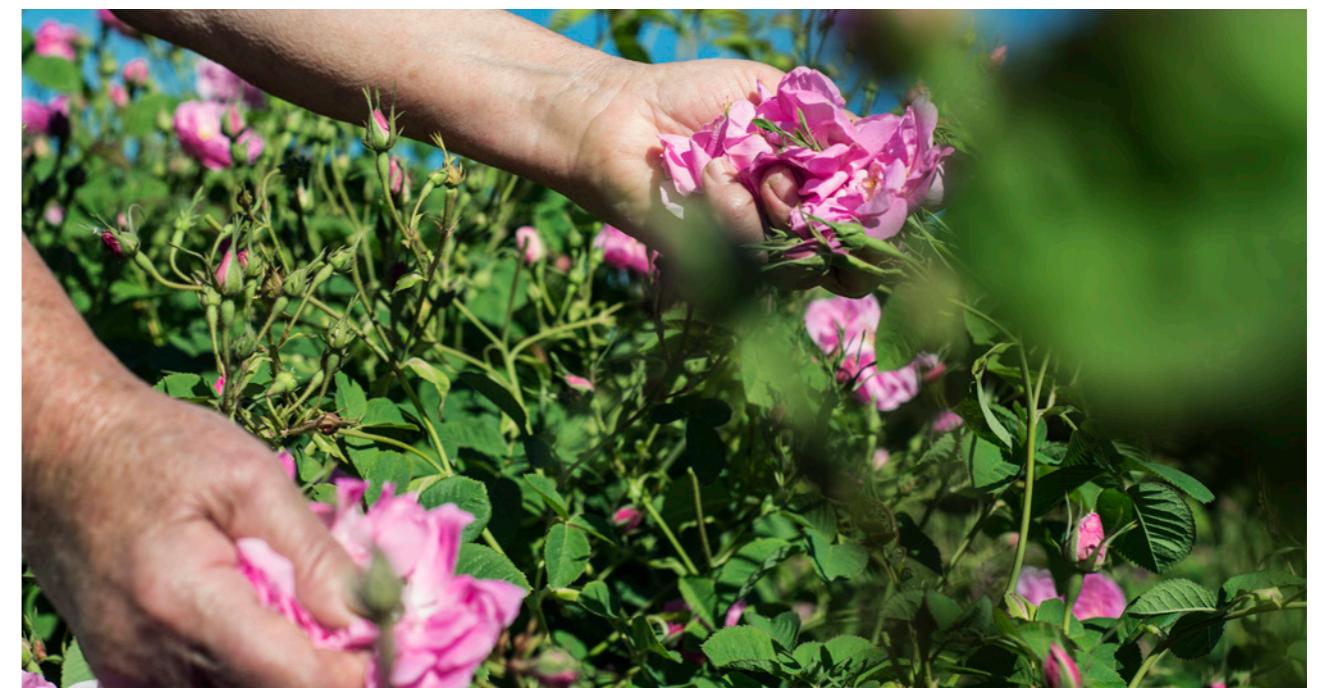
## Product quality

In 2023 one of our four strategic areas of focus involved enhancing and embedding a Quality culture within the business. When we proudly celebrated World Quality Day 2023, We launched our new Quality Policy Statement, which introduces and defines our four Quality principles. principles are Quality culture, Crafted with care, High standards and Continuous improvement. Our Quality Policy Statement highlights our commitment to empower our people to deliver excellence to our customers.

## Product Stewardship

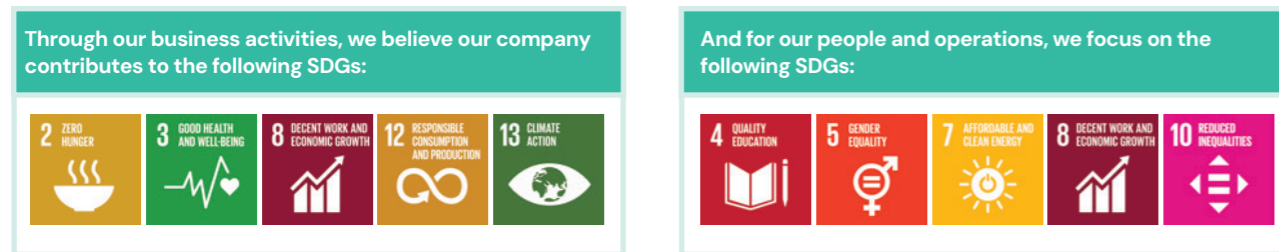
Our leading principle is that each of our products must be safe in terms of its production and application up to and including the end of its useful life. We make conscious choices about the substances we use and produce. We actively identify the risks attached to, and the potential impact of our products on people and the environment, including their production processes. We support our customers (and other interested stakeholders) in doing the same by providing them with clear information on potential health and environmental impacts.

In 2023, we reviewed the set-up of Product Stewardship within the context of the merger, identified the most critical processes, and started the alignment, standardization and integration of our approach. Product data and system integration are seen as key success factors.



## Our company and the SDGs

The Sustainable Development Goals (SDGs) were launched by the UN in 2015 to provide a roadmap toward a more environmentally and socially conscious and responsible world by 2030. Companies have a key role to play in achieving the SDGs, and the Goals have been adopted across society as a common language for articulating how we can contribute to this roadmap. Businesses can serve for a more equitable, sustainable and inclusive world. The SDGs support this by guiding our efforts to create positive change, from eradicating hunger to fostering climate action.



## Business Ethics

We do business honestly, transparently, and ethically. To live up to this promise and to drive compliance with all applicable laws and regulations wherever we operate in the world, we have installed a Business Ethics team. This team is responsible for the design and implementation of a global Business Ethics Program that goes beyond a check-the-box compliance and provides support to management and employees.

At the start of our new company, the dsm-firmenich Code of Business Ethics and the dsm-firmenich Supplier Code were launched. During 2023, the existing legacy policies and procedures in the area of Business Ethics that are in line with the new foundational Codes remained in force. Common Group policies and standards will be introduced in 2024.

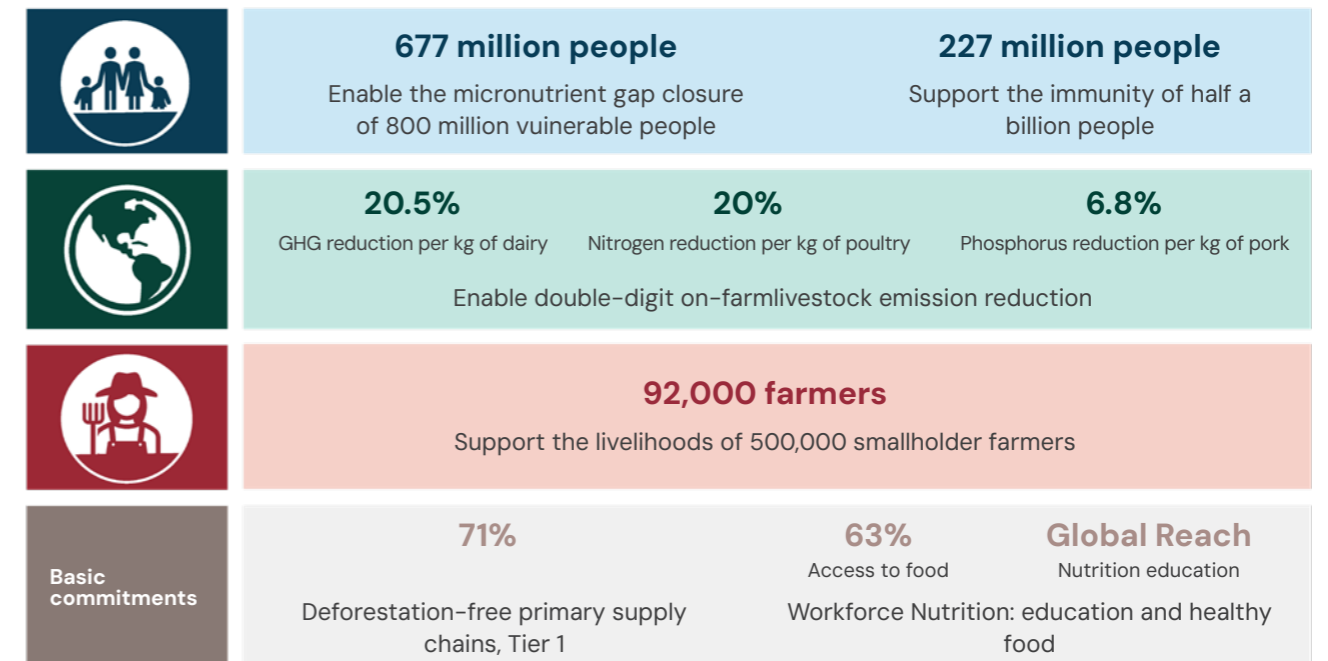
## Impact measurement and reporting

We measure and monitor the impact of our businesses through our Food System Commitments and our Portfolio Steering mechanism. These impact measurements enable us to demonstrate the role that our businesses play in society. In the wake of our merger, we will re-evaluate these approaches to ensure that how we measure our impact is future-proof, and for our portfolio, in line with external practices.



## The Food System Commitments

Our Food System Commitments were launched in 2021 to outline our dedication to transforming food production and consumption by 2030. These were aligned with our business priorities, to showcase the positive environmental, social and health impacts of our business, where feasible. In 2024, the Food System Commitments will be re-evaluated for their strategic fit with the company given the context of the merger.



Due to the impact of the merger and the alignment of our plant-based proteins businesses, our plant-based protein commitment will not be reported on over 2023.

## Portfolio steering

As dsm-firmenich, we bring together two portfolios of solutions supporting improved societal outcomes, from reducing emissions in animal farming to supporting health and well-being. Our portfolio steering mechanisms, including Brighter Living Solutions Plus (BLS+) and our Ecotools have quantified the positive contributions our portfolio has made.

In 2023, our focus was on the data collection process for our merged businesses, a pivotal step in the integration journey. This also included the harmonization of underlying systems from the two former companies, a complex task that is required for the foundation for our future portfolio insights. Consequently, we have paused reporting on the performance of our legacy portfolio steering mechanisms. This strategic decision aligns with our commitment to transparency and allows us to concentrate our efforts on the process of consolidating and optimizing our operational infrastructure. For the coming years, our goal is to craft a future-fit sustainable portfolio steering framework, designed to meet the expectations of both our customers and investors. This framework will serve as a guiding force, empowering us to steer the portfolio and innovation pipeline of our newly created company toward more sustainable business and business opportunities.

# Sustainable Solutions — We bring progress to life

From fragrances to farming, meals to micronutrients, we address the latest consumer needs and wants in a sustainable way. Founded on operational excellence, we are uniquely positioned to help our customers realize their ambitions.

# Perfumery & Beauty



## Incredible scents, sustainably created

Perfumery & Beauty (P&B) is the leading creation and innovation partner for the most iconic global and local brands in consumer goods, lifestyle, and luxury beauty. We are home to the best talent in the industry, boast an unmatched palette of captive ingredients, and are supported by a vertically integrated supply chain. Powered by our science-based innovations in fragrance and personal care innovations, we make our customers' products more desirable, essential, and sustainable, driving consumers' preference.

## Superior scents from sustainable ingredients

### PopScent® Eco, 100% biodegradable ingredients

PopScent® Eco is one of our biggest innovations in 2023, and has already been introduced into the China market. We reinvented fragrance encapsulation, delivering outstanding long lasting fragrance benefit, with the first range of capsules made with 100% biodegradable ingredients. The PopScent® Eco range, including PopScent® Eco and PopScent® Eco Max, delivers a lasting fragrance experience from wash to wear. These versatile capsules, bring high creative and applications flexibility and meet the highest sustainability standards with no compromise on consumer experience.



### HaloScent® Berryboost, a fragrance innovation with a low environmental impact

With a new, patented natural activation technology, HaloScent® is a fragrance innovation that releases two different perfumery molecules simultaneously, known as dual-release profragrances. These molecules have a low environmental impact due to their biodegradability, are activated with air and water. HaloScent® Berryboost gives a fruity olfactive profile, its applications not only in home care but also in hair care.



## Revolutionary technology reinforcing sustainable value of pure extraction

### Firgood™, pure and 100% natural extracts

dsm-firmenich unveils the Firgood™ collection, a brand new range of pure, 100% natural extracts obtained by a revolutionary, sustainable proprietary extraction technology. The Firgood™ technology uses only the water that is an inherent part of the biomass cells. Once warmed up by electromagnetic vibration, the water carries the odorant components, to yield the final pure extract. More environmentally friendly than any other extraction method, this technology is the culmination of advances in sustainable extraction. Solvent-free, dry biomasses only require water humidification, while low energy consumption is an added benefit of the process. In addition, the waste produced is clean and can easily be upcycled, reinforcing the sustainable value of this pure extraction.

Using Firgood™, Muguet Firgood™ is launched, a pure and 100% natural ingredient with fresh and authentic notes never obtained before. Lily of the valley is known in perfumery as one of the most iconic "silent flowers", a flower that yields no essence. It is the first time in the history of perfumery that an extract of this flower has been captured with a safe and sustainable process, offering a completely new olfactory profile with genuine tonalities.

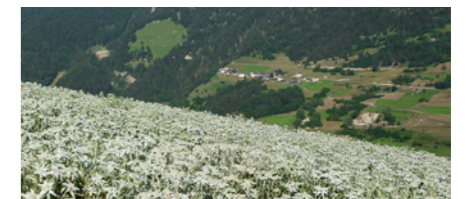


## Unique and sustainable solutions for personal care

### ALPAFLOR®, fully sustainable from seed to active ingredient

The ALPAFLOR® product family focuses on unique plants from the Alps, cultivated sustainably and organically at high altitudes to preserve biodiversity and maximize product efficacy. These plants thrive in harsh environments, enhancing their resilience through self-protection mechanisms. Take, for instance, the signature plant of the ALPAFLOR®, Edelweiss, which contains high levels of Edelweiss acid and flavonoids. This helps reduce oxidative stress caused by UV radiation, rebalancing skin pressure levels and providing robust protection to the skin.

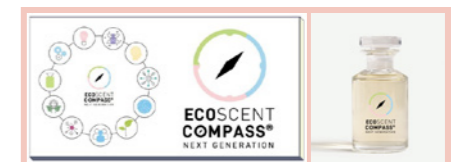
The whole product family is produced using renewable energy, significantly reducing energy consumption and cutting water usage by 40%. We also implement measures such as organic waste recycling, demonstrating our commitment to sustainable development. We've established a local supply chain, ensuring full traceability from seed to final product. We closely collaborate with Alpine growers, adhering to Fair For Life fair trade certification to ensure economic sustainability.



## Industry reference tool in fragrance sustainability measurement

### EcoScent Compass®, a wider range of digitally integrated sustainability data

In January 2023, we launched EcoScent Compass® Next Generation. It is a comprehensive scientific assessment tool based on extensive data related to sustainability, used for the design and creation of eco-friendly fragrances, empowering our perfumers with a wider range of digitally integrated sustainability data, supporting distinct fragrance claims and ingredients claims.



This tool determines the sustainability of fragrances on 3 key impact pillars: circular creation, climate & nature, and people & community impact. Meanwhile, we score all types of ingredients according to the Health, Safety and Labor Standards of dsm-firmenich production sites, which are extended to the entire supply chain. All our natural ingredients are responsibly sourced and we aim to achieve traceability not only at the producer level, but also at the source. In addition to increasing transparency, we have become a leader of UN Global Compact by optimizing fragrance design and manufacturing through EcoScent Compass™, proactively setting ambitious targets and improving fragrance sustainability.

# Taste, Texture & Health



## Healthier. More delicious. Better for people and planet

Imagine a world where you don't have to choose between what tastes good, what feels good and what is good for the planet. At dsm-firmenich we have the recipe to lead a new era in Taste, Texture & Health (TTH).

Our boundless creativity and broad portfolio of unique and nutritious ingredients ensures consumer preferred food and beverages for every taste and occasion. We bring progress to life by co-creating with our customers to transform how the world eats.

## A new solution for plant-based dairy drinks

### Gellaneer® ND-JY, to fully replace LBG in plant-based dairy drinks

Achieving a smooth, velvety mouthfeel in plant-based alternative drinks has always been incredibly important for the simple reason that mouthfeel has a huge impact on the overall sensory experience. However, achieving this in a profitable way is not an easy job for manufacturers. The industry has relied on Locust Bean Gum (LBG) as one of the solutions that deliver this desired mouthfeel — mainly in almond-based alternatives to milk. However, we are now seeing severe global shortages of this ingredient due to the long time required to generate industrial volumes — further amplified by the effects of climate change in countries like Portugal and Morocco, where the crop is traditionally grown. The result is that the price of LBG has skyrocketed.

The good news is that now there is a new solution for achieving this; and not only that, it's also a more sustainable source than LBG. Introducing Gellaneer® ND-JY, the latest addition to our hydrocolloid family of texture solutions. Manufacturers of alternatives to milk can now use our Gellaneer® ND-JY gellan gum to completely replace LBG in their formulations — with no more supply chain disruptions or shortages.

First and foremost, this solution delivers the sensory attributes that consumer desire, with an appetizing texture and clean taste. But also, our solution also provides a great performance in the suspension of insoluble particles — thus making further fortification possible. Gellaneer® ND-JY delivers excellent technical performance in low doses, thus offering competitive cost-in-use advantages for manufacturers. Not only that, but Gellaneer® ND-JY is a sustainable solution. Gellaneer® is a natural polysaccharide derived from biological fermentation. A wider range of raw material sources means a more stable cost and a more sustainable supply chain.



At dsm-firmenich we understand that getting processing conditions right is an intricate balance; which is why our customers are supported every step of the way by a global team of experts who know how to combine and apply not only gellan gum, but all kinds of natural and sustainable ingredients to deliver a winning solution.



## Sustainable brewing solutions

With rising energy costs affecting all brewers right now, what can brewers do tackle this challenge today? It's a big question — and not an easy one. As a long-time partner to the brewing industry, we understand first-hand the complexities of producing consistently delicious beer in an energy-hungry business where every brewery has its own unique needs.

### Brewers Clarex®, to reduce both energy & water usage — and cost

At dsm-firmenich, we've spent many decades mastering the art of sustainable brewing. Brewers Clarex® is an established solution for chill haze prevention, used today by 8 out of the top 10 global brewers. In simple terms, this solution enables brewers to skip the deep cooling and rinsing step in the beer stabilization and clarification process and thus reduce both energy & water usage — and cost. Not only will this solution reduce your carbon footprint through greater energy savings, it also eliminates the need for undesirable dusty stabilizers traditionally used in the process — like PVPP and silica gel powders (along with the resultant silica waste).

### Brewers Compass®, to use 100% local barley and boost brewing capacity

Brewers Compass® is for adjunct brewing. Here our brewmasters bring their global experience and regional insights to help brewers adjust brewing processes to locally sourced ingredients. For example, using our label-friendly enzymes, the dsm-firmenich team works with brewers to switch from malted to un-malted brewing grains with no compromise on the taste or texture of the beer — thus enabling the use of 100% local barley instead of expensive imported malted barley. Not only can brewing with 100% un-malted barley result in significant carbon footprint savings, it can boost brewing capacity — by a potential 25%.

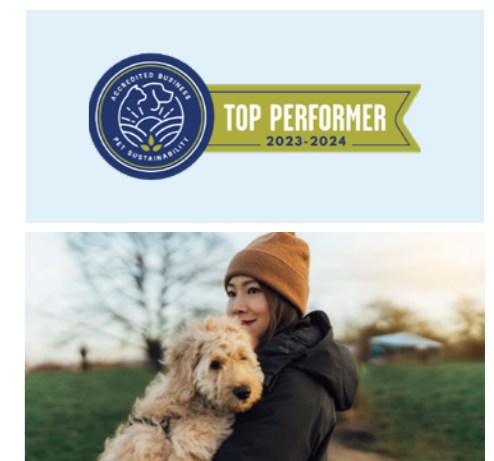


## Improving the wellbeing of pets in a sustainable way

Sustainability is a goal that impacts everything we do at dsm-firmenich. We're working with our partners and customers on initiatives with the potential to create value for everyone, from the co-development of products to disclosure of sustainability declarations and testing methodologies. We're helping to produce more resource-efficient food in the most environmentally and socially responsible way. Improving animal well-being with highly nutritious ingredients that minimize waste will keep our pets — and our planet — at their healthiest.

We are proud to be named, along with our partner Veramaris, among the ten 2023-2024 Pet Sustainability Coalition (PSC) Top Performers. The PSC is the arm of the global pet industry that oversees and advances environmental and social business practices in alignment with the United Nations Sustainable Development Goals. Top Performers are the highest achieving PSC-accredited companies — assessed for measurable improvement against science-based targets and independently verified for accuracy and transparency.

Thanks to this Top Performer award, our customers can be assured that our sustainability standards are measurable and high. Working together, we can partner to make our pets, our planet and our businesses more sustainable.



# Health, Nutrition & Care



## Keeping the world's growing population healthy

Health, Nutrition & Care (HNC) is dedicated to supporting the health of the world's growing population through nutrition and care solutions. We deliver nutritional solutions that support well-being and proactive health at every stage of life and for every lifestyle. As an end-to-end solutions provider, we partner closely with our customers from product conception to launch, providing unique consumer insights, a broad portfolio of nutritional ingredients, innovative solutions, and expert taste capabilities.

## Eco-friendly solution for health benefits

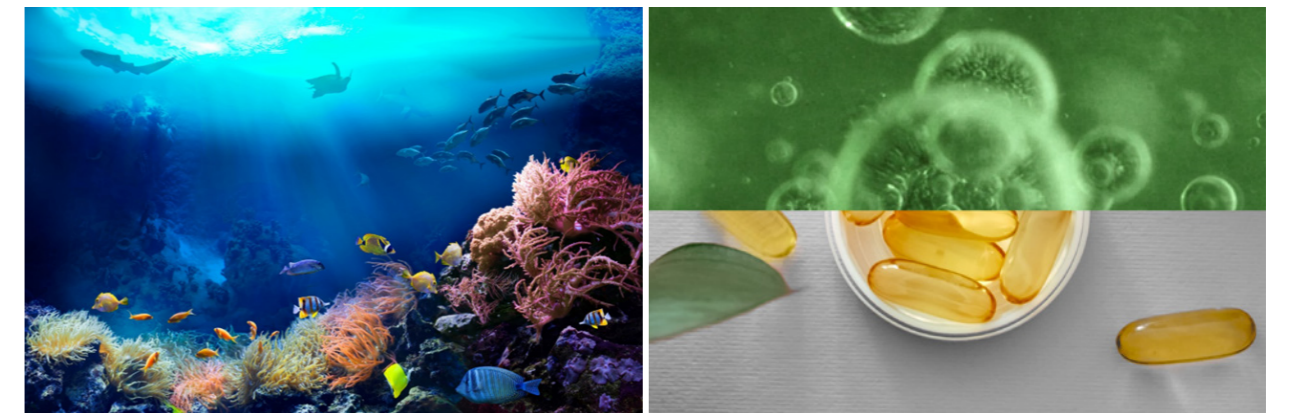
In the marine food chain, deep-sea fish feed primarily on krill, which in turn consumes seaweed to obtain abundant omega-3. However, deep-sea fish can also become contaminated with heavy metals as they hunt in the ocean. Marine algae, being the initial source of omega-3, helps us avoid excessive heavy metal pollution into our daily diet as much as possible.

If humans also obtained Omega-3 directly from seaweed sources, this would mean 22 million more tons of fish could survive each year, 60,000 whales and sharks would be saved from commercial fishing, and marine biodiversity would be protected. Humans need not reap the health benefits of omega-3s at the expense of marine life.



### life's™ OMEGA, directly from seaweed sources helping sustainability

The Microalgae (Marine origin) Proprietary Fermentation Technology ensures that omega-3 is free from any contamination. At the same time, there is no impact on the Marine ecology. Meanwhile, the omega-3 is produced in a controlled environment and extracted by pure water technology, which has a positive impact on the sustainable development of Marine fish ecosystem. With end-to-end control, the whole process can be traced, which enables us to produce algal oil at a lower cost and on a larger scale. The innovative technology not only has the advantage of microalgae raw materials and production processes, but also ensures the scientific utility and health benefits of Omega-3.



## Embedding sustainability in our value propositions

### Imp'Act Card™, to help customers realize sustainable goals

The Imp'Act Card™ are about embedding sustainability in our value propositions at the ingredient level, bringing transparency on the social and environmental footprint of our products.

We help our customers drive their sustainability goals by leveraging our internal LCA expertise through our HNC Sustainability Imp'Act Card™. The Imp'Act Card™ transparently communicates the measured environmental footprint of our products from cradle to gate and supports substantiated consumer claims. The most important and relevant information is clearly labelled at the individual ingredient level, including the calculated environmental impact, traceability, certifications and social impact.

In 2023, we trained more than 1,200 people internally and rolled out the Imp'Act Card™ at our largest global customers and strategic regional accounts, and the initiative was shortlisted as finalist in the Convention on Pharmaceutical Ingredients (CPHI Pharma) Sustainability Awards category.





# Animal Nutrition & Health



## Protein production that powers more sustainable nutrition

The demand for animal protein is increasing due to the growing global population, leading to a greater need for land and resources. Our innovative offer in Animal Nutrition & Health (ANH) helps meet the rising demand for animal protein and support the sustainable transformation of food systems. By combining passion and science, we develop new approaches to animal health and nutrition that support the sustainable production of high-quality animal protein while reducing emissions and reliance on natural resources. With our portfolio of vitamins, performance solutions, and data-driven precision services, we serve the entire animal production value chain and are helping to shape the future of animal farming.

We focusing our passion and expertise on six core sustainability and business platforms:



## Localized solutions for more sustainable nutrition

The Animal Nutrition and Health business in China, with its rich product portfolio including vitamins, premixes, additives, and precision nutrition, provides localized solutions for poultry, swine, ruminants, and aquaculture. Deeply rooted in China, it is committed to better serving Chinese partners. One of the three global research centers for Animal Nutrition and Health is situated in Bazhou, Hebei Province. Covering an area of 50 acres, with an investment of 120 million RMB, and an annual R&D expenditure of 30 million RMB, it includes a feed mill with an annual production capacity of 20,000 tons equipped with Swiss Bühler machinery, and five modern, pollution-free experimental breeding workshops. Its focus is on creating local solutions for China.

Our digestive enzymes increase the efficiency of feed raw material utilization, improving performance while reducing feed costs and environmental impact; our eubiotics help improve animal gut health and contribute to the reduction of antimicrobial resistance; our mycotoxin deactivators help protect farm animals from the harmful toxins that grow on feed; and our methane-reducing feed additive for ruminants helps reduce the greenhouse gas emissions associated with cattle farming. We bring progress to life by helping to make animal protein more sustainable, nutritious, and affordable.



## Smart science and innovative solutions for food systems

We offer concrete and measurable solutions that are closely linked to our products, reducing environmental impact while at the same time improving profitability for producers. In 2023, we successfully continued the roll-out of our smart science and innovative solutions to transform global food systems for good.

### ProAct 360™ to make animal protein production more sustainable

ProAct 360™, innovative second-generation feed protease, which drives consistent improvements in poultry growth performance and reduces production costs while making animal protein production more sustainable. By adding ProAct, feed consumption can be reduced by over 4.6%, and nitrogen and phosphorus excretion can be reduced by over 38%. Professor Gerald Shurson from the University of Minnesota stated that feed accounts for 65–70% of the total production costs of broiler chickens. Controlling excess protein in the feed also controls the intake of excess nutrients such as energy and protein; otherwise, these excess substances would be used to excrete extra nitrogen.

### Bovaer® to reduce enteric methane emissions

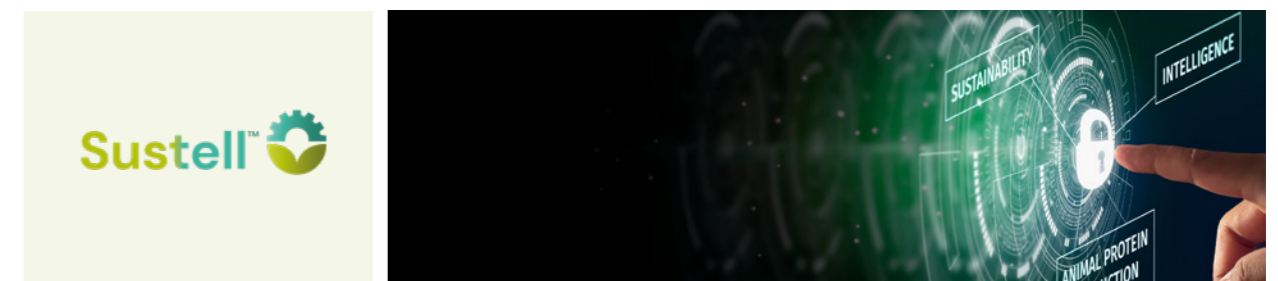
Our cattle feed additive that reduces enteric methane emissions by 30% and 45%, respectively for dairy and beef cattle, according to the results of over 60 trials across 18 countries. Furthermore, it has no negative impact on animal health, human health, or the environment. Bovaer®, is available in 57 countries globally (up from 45 in 2022) and has already reduced our customers' greenhouse gas footprint by an estimated 75,000 tons of CO<sub>2</sub>e by the end of 2023. Customers (including dairy and beef companies and retailers) around the world continue to pilot and expand the use of Bovaer® in their operations. The registration application for Bovaer® in China is also well underway.

### Symphio™ to offer benefits for poultry flocks and the environment

Symphio™ is an excellent example of our expanded focus on how the microbiome behaves and influences animal health. It is a first-of-its-kind precision biotic designed to orchestrate microbiome metabolism in poultry flocks to support good gut health and growth. Symphio™ optimizes birds' resilience to enteric stress, facilitates nutrient utilization, improves welfare, and reduces emissions. It is the first product in our new category of microbe metabolic modulators. Acting on desirable metabolic pathways, Symphio™ offers benefits for poultry flocks and the environment.

### Sustell™ to provide sustainable solutions for the value chain

Sustell™, the world's first intelligent sustainability service, is designed for accurate measurement and improvement of the environmental footprint of livestock. It provides precise, simple, and actionable sustainable solutions for partners in the value chain in a data-driven manner, improving the eco-footprint and profitability of animal protein industry.



# People

In May 2023, DSM and Firmenich completed our merger to create a new, integrated, and engaged organization, dsm-firmenich, making us a great company to work with and for. A nearly 30,000 team and unparalleled capabilities contributed to building on more than a century of cutting-edge science. Their involvement, commitment, and dedication ensure we can satisfy our customers and provide innovative solutions. We are committed to giving every employee a zero-accident and zero-injury work environment while continuing to invest in an employee-centered, inclusive, and diverse environment.



## Safety, health & well-being

Continued volatility in the world around us resulted in additional challenges, making safety, health and well-being more important than ever. The safety, health and well-being of our employees is our key priority and is anchored in our new Safety, Health and Environment (SHE) policy. The merger provides us with the opportunity to learn from each other and harmonize approaches and systems to higher maturity levels.

The merger and global developments in 2023 had a profound impact on our people throughout the year, from higher levels of personal uncertainty to increased workload levels. In turbulent times like these, we maintained a continuous focus on the safety, health, and well-being of our employees. The attention for safety & health focuses on three areas to ensure that they are embedded across our organization. It is our mission to provide an injury-free, healthy and secure workplace to everyone working in dsm-firmenich. As part of the merger process, new company targets on these three areas are under development. The first target to be set under this process will be the Frequency index Total Recordable Incident Rate for employees and contractors (TRIR-all).

### Safety performance in 2023

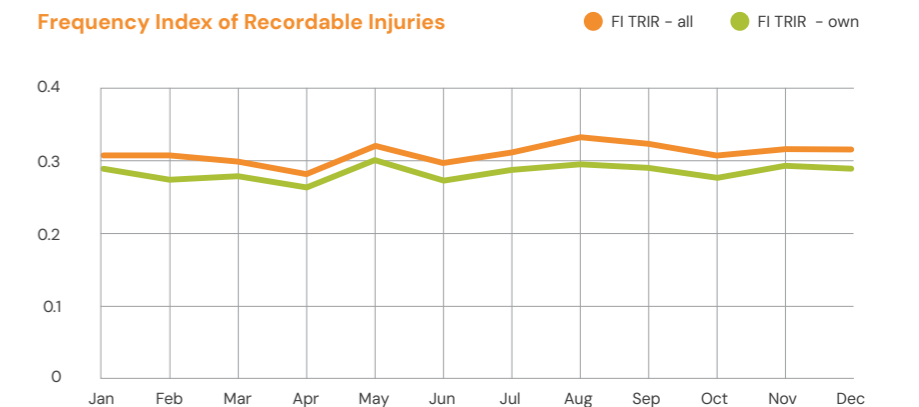
	dsm-firmenich China	dsm-firmenich Global
<b>Occupational safety</b>		
Total Recordable Incident Rate (TRIR)-all	0.04	0.31
Total Recordable Incident Rate (TRIR)-own	0.04	0.29
<b>Process safety</b>		
Process Safety Incident rate	0.05	0.28
<b>Occupational health</b>		
Health rate-all	0.18	0.14
Health cases-all	10	50

(The figures exclude material clusters)

## Occupational safety

Occupational safety is the safety of our employees and contractors in the workplace. With a 2023 Safety performance TRIR of 0.31 (for the post-merger period of June – December, 0.30) in the global level, our result is well above our long-term target level of 0.20 and clearly not where we want to be. However, most (~60%) of the 2023 incidents were easily avoidable cases (e.g., slips/trips/bumps/handling of tools and equipment) resulting in only minor injuries. The investigations showed that they were not caused by a lack of procedures, training, or information, but mainly by individual behavior and awareness.

SHE leadership and SHE culture are key to addressing the continuing rise of behavioral incidents. Therefore, company-wide initiatives and discussions took place in many different leadership teams focusing on creating the right mindset and behavior of our people. To support that, we continued improving our SHE culture through the continuing roll-out and strengthening the effectiveness of our Behavior-Based Safety program (Safestart®).



## Key initiatives

We initiated several close-the-loop activities focusing on intense safety dialogues, especially during the shift handover at our manufacturing sites. We also started scavenger hunts on the shop floor for hand safety risks and the identification of slip, trip and fall situations. Additionally, we kept programs running that we benefitted from in recent history like our issue site programs where we focus on the sites with the most incidents to run dedicated improvement programs. To ensure our programs, initiatives and systems are fit for purpose for the new company, a detailed review, alignment and shaping exercise has been conducted after the merger. Priority was given to get the new organization in place, embracing SHE policy, Life Saving Rules, personal protective equipment (PPE) alignment, reporting and continuation of leadership and culture development programs. We plan to expand this in 2024 to create one set of policy requirements, procedures, and a common language for all of dsm-firmenich.

To keep our contractors safe, we employ the same strategies as for our own organization, with a focus on learning from past incidents and on the robust implementation of our Life-Saving Rules.

## Main activities

Under the guideline of global initiatives, in 2023, we continued to promote safety culture through the programs such as "SafeStart", "SHE Day" and "Safety Talk" to solidify an engaging and disciplined safety culture at all sites in China. Till the end of 2023, almost all manufacturing sites except the sites in the integration phase had rolled out SafeStart® program and embedded the concepts to the routine SHE management system. Besides culture program, dsm-firmenich China kept its focus on those sites with highest number of recordable injuries in 2023 and with peer to peer reviews, we identified the gaps at the early stage to prevent incident from happening in the future.

### Life Saving Rules Activities



ANH Liaocheng



P&B FIRCHINA



TTH Chifeng

### SHE Culture Promotion Activities



ANH Hengyang



FIRJIANG



ANH Wuxi



ANH Changchun



ANH Chengdu



TTH Tongxiang



ANH Xinghuo

### SafeStart® Trainings and Activities



TTH Tongxiang



TTH FIRJIANG



ANH Xinghuo

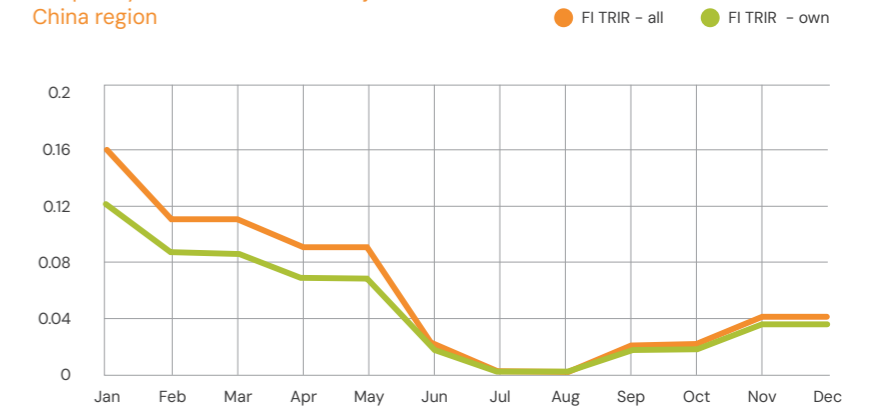


ANH Chengdu

With all the efforts put by China operation community into these activities, the Total Recordable Injury Rate was reduced from 0.14 in 2022 to 0.04 in 2023.



Frequency Index of Recordable Injuries for China region



### Seven sites celebrated their Recordable Injury-Free Milestones in 2023

Site	Recordable Injury-Free Milestone
TTH Yixing	2 Years
ANH Xinghuo	1,000 Days
ANH Wuxi	1,000 Days
ANH Hengyang II	1,000 Days
ANH Chengdu	1,500 Days
P&B FIRMING	10 Years
ANH Hengyang I	5,500 Days

### Recordable Injury-Free Celebration



1000 Days @ Hengyang



10 Years @ FIRMING

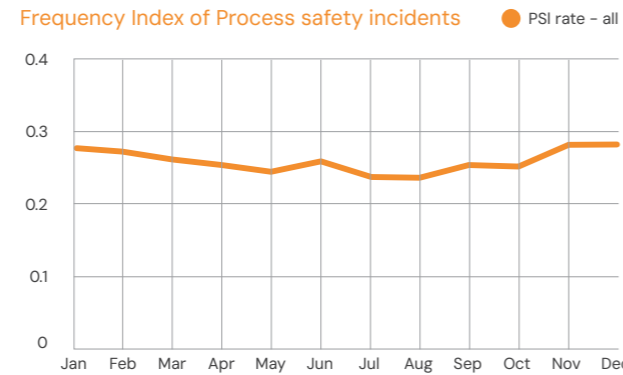
## Process safety



Process safety refers to the technical safety of our facilities. In 2023, our global Process Safety Incident rate ended at 0.28.

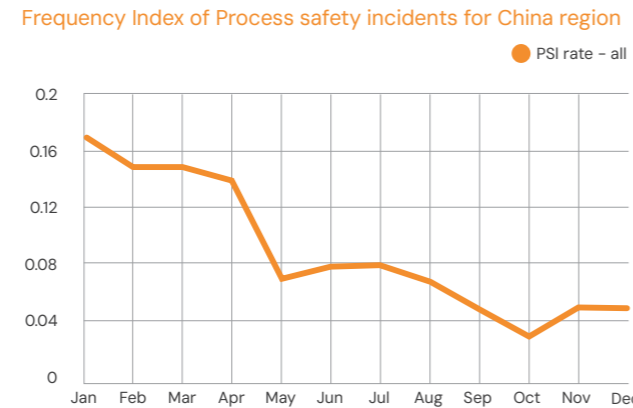
As with occupational safety, we focused on the sites with the highest number of process safety recordable incidents in 2022 and they delivered a significant 77% incident reduction. Improvements were achieved by self-assessment tools addressing common technical root causes and specific site improvement plans. The continuing activities around our behavior-based programs and integration improvement programs contributed as well to this improvement.

Furthermore, we conducted 39 fire protection integrity assessments at affiliates world-wide, reflecting the importance placed on protecting our people and assets from fire and natural hazards. Audits cover both organizational and technical readiness.

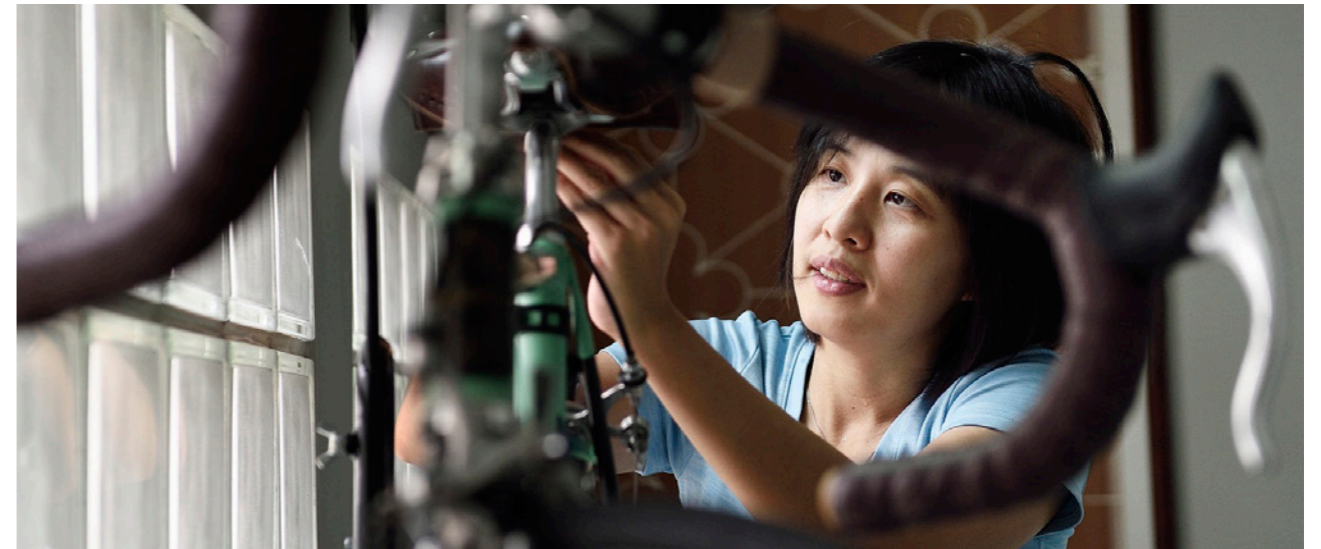


In China, with the benefit from the concept about managing process safety with the aim of sustainable performance, the Process Safety Incident Rate decreased from 0.14 in 2022 to 0.05 in 2023.

To further fulfill this concept, we continued to monitor and manage the process safety life cycle, including promoting a "first-time-right" approach and evaluating its effectiveness. Alongside merger activities we adapted the networks for process safety experts, started to share best practices between former DSM and former Firmenich sites. Meanwhile, we continued to strengthen the development of local competences. For example, we delivered dedicated process safety training modules for shop floor teams and staff, for example, handling of self-heating materials, safe powder handling, and bonding and grounding.



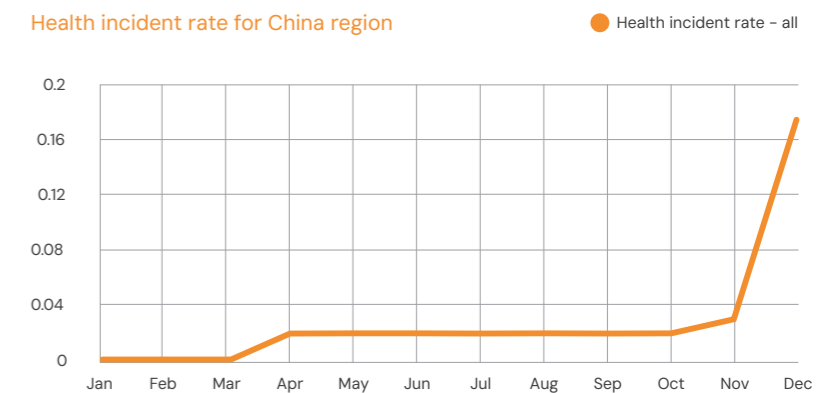
2023 Safe Powder Handling Training



## Health & well-being

### Occupational health and industrial hygiene

Industrial hygiene focuses on eliminating or minimizing work exposure to health hazards by engineering controls and/or personal protective equipment while occupational health deals with the effects of exposure, avoiding occupational diseases and providing needed health care for our workers. In 2023, we recorded a global health incident rate for employees and contractors of 0.18 consisting of 10 occupational health incidents of employees and contractors in China.



A significant share of health incidents recorded this year (8 out of 10) involved hearing losses recorded in one of our production sites. This site was acquired in the recent past and this was the first time that hearing tests had been carried out locally based on dsm-firmenich standards, which are stricter than local legal standards. We conducted several projects to decrease the noise exposure level in site. We installed air silencer, exchanged high noise vibration motor and tighten vibrating parts to decrease noise generated during production. We also installed insulation booth for the employee to shorten the noise exposure duration.

Ergonomics remained another cause for occupational health injuries. To address that, we are implementing a program dedicated to ergonomics, which covers elements such risk assessment, engineering controls, and training to decrease the risk.

Besides ergonomics, we have continued to focus on prevention of health hazards in the workplace. We have established an internal committee that brings industrial hygienists, toxicologists, and product stewardship experts together. This committee oversees our internal occupational exposure limits for substances not regulated by government agencies.

To strengthen industrial hygiene for the years to come, we initiated the implementation of a single risk management system for all industrial hygiene risk assessments. The system will be rolled out in 2024 and will enable a better sharing of relevant health data, to easily find and implement our best practices as well as identifying needs for further improvements.

## People & organization development

dsm-firmenich is committed to empowering its employees with equal rights and benefits, and supporting their development in the local region to create a sense of belonging. We are committed to creating an inclusive and diverse corporate culture that meets the needs of the ever-changing global landscape and the realization of our ambitious strategic goals, and to creating stages and opportunities for each employee to fully develop his or her talents.

### Diversity, Equity, and Inclusion

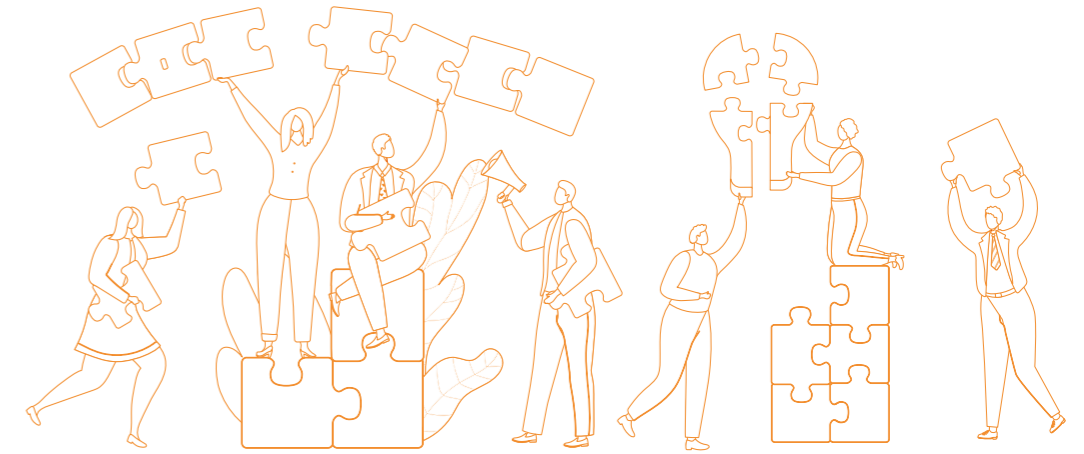
#### New purpose & value activation

As a new company, dsm-firmenich launched the company purpose and values at the beginning of the merger in 2023. Our purpose is "We bring progress to life" and the company value are "Shape the future, Be a force for good, Own the outcome, and Together, with our Customers". Be a force for good, means we are responsible and purpose-led, with a legacy to prove it. We are passionate about constantly raising the bar. Because caring about customers, communities, people, and the planet is the right thing to do. And it's the only way to grow an enduring, profitable business. Employee's feedback showed us that company's values resonate with them, and that our next step to build a culture of progress, is to define the best way to make our values actionable and visible in our daily work.

In China, as an integral part of the new company, it is a very meaningful work to promote the implementation of the company culture and values. In 2023, we recruited a team of Culture Catalyst in China, successfully delivered more than 50 Progress Workshops, and led more than 2,400 colleagues to understand and discuss the company's culture and values, and integrate cultural values into daily work.



Team of Culture catalyst in China



#### Gender equality

##### China received EDGE move certification in 2023

In Feb. 2023 the former Firmenich has resecured Global EDGE Move certification for its efforts to ensure gender equality across its operations around the world. China region has been achieved EDGE Move level as well, this recognition demonstrates the intentional, prioritized, and measured actions by China to keep accelerating progress towards diversity, equity, and inclusion across the organization.

Economic Dividends for Gender Equality (EDGE) is the leading global standard for gender equality in the workplace. Certification requires a rigorous external assessment of four key areas: representation across the company; pay equity; effectiveness of policies and practices to ensure equitable career flows; and the overall inclusiveness of the company culture. Organizations can progress through the various levels of certification: EDGE Assess, EDGE Move, EDGEplus and EDGE Lead.



EDGE Certification

##### A Step Forward

To boost the development of key talented women to prepare them to move up in their careers, the company launched A Step Forward program, which is a 6-months program included external 1:1 online coaching, internal mentoring session and virtual events with external and internal guest speakers.

In the China region, we selected 6 female talents from research and development, business, and supply chain to participate in the program and completed relevant training and guidance.



A Step Forward

## Committed to youth

At dsm-firmenich, we focus on diversity, including generation diversity. In China, as always, we actively promote youth employment and the development of young talents, and firmly believe in their positive impact on organizational vitality and creativity.

### Trainee Perfumer and Flavorist for China

Perfumers and flavorists play a very important role in creating memorial consumer and luxury products. They are responsible for creating various fragrance and flavors enabling the products the unique fragrance and flavors identity and customer experience. In 2023, dsm-firmenich launched a recruitment program for perfumer and flavorist trainees aimed at cultivating creative professionals in the Chinese market. We believe that through this program, more Chinese youth will become professionals in the fragrance and flavor industry and contribute to the company's business development in the Chinese market.

After careful selection, two outstanding young people became students of the global fragrance and flavor school. They will receive professional training for 3 to 5 years, including basic theory of fragrance and flavor, laboratory practice, and on-the-job training. They will have the opportunity to go to other countries and regions to receive guidance from the company's global professional perfumers and flavorists, learn from their distinct knowledge and skills, and understand diverse culture and consumer preferences of different countries and regions.



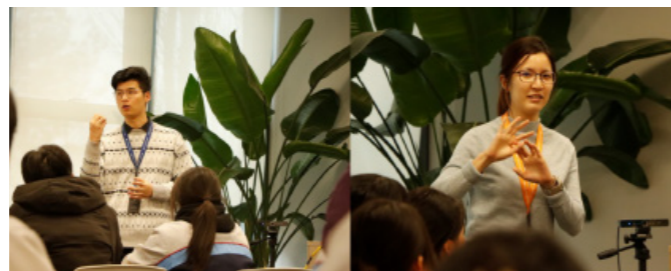
Introducing our world-class  
**Flavorist School**



Trainee Perfumer and Flavorist

### China Young Talent Program

China Young Talent Program aims to discover, recruit, and train young talents from all over China for the company. In 2023, we welcomed 6 new young talents to our operations department. At the same time, we launched a rotation plan for young talents in various locations (Yixing, Tongxiang, Jingzhou, and Chifeng), supporting these young talents to intensively develop professional skills and enrich business knowledge, and further advance their career development through practice.



Employees engaged in youth forum

In 2023, we witnessed the success of various youth programs in the China region and the returning of young talents to the company and the community. One YTP member and a young female scientist joined the 2023 global One Young World annual summit, bringing the mission of promoting youth progress to China. In December 2023, they jointly planned and implemented two company visit campaigns with the XinHua Education Foundation in Zhejiang Province, aiming to help economically disadvantaged young people achieve career development and fulfil our mission of "bring progress to life".

## Employee listening & enabling

### Employee Engagement Survey (EES)

In 2023, an Employee Engagement Survey was conducted in dsm-firmenich. In this survey, we incorporated questions related to integration efforts. By listening to the voices of our employees, we aim to formulate targeted initiatives, actively drive integration progress, and inspire employee enthusiasm to enhance team cohesion, collectively working towards the company's sustainable development goals. The survey results from China indicate an employee engagement index of 83%, slightly higher than the global average engagement index.

### Employee Assistance Program (EAP)

In dsm-firmenich, we aim to bring progress to life. While bringing positive changes to the world, the physical and mental health of every employee is crucial for themselves, their families, and the company. We continue to leverage our EAP program to introduce a series of tips and public courses on emotional management, self-awareness, psychological resilience, and other aspects in employee mental health. Especially in an environment full of change and uncertainty, we believe that these related empowerment and support measures can help better promote the sustainable development of individual employees and the company.



#### EAP Posters



### Enable the sustainable development of our employees

To support the sustainable development of our employees, we remain committed to providing comprehensive training platforms for all employees, both internally and externally. It is worth noting that, at dsm-firmenich China, we recognize the critical importance of the physical and mental well-being, especially psychological resilience of leaders and people managers to business success. As such, the company offers training courses centered around "positive psychology" for management, aimed at enhancing leadership resilience and growth mindset, to empower them to navigate complex and evolving environments while enhancing cognitive abilities. These courses encourage leaders to engage in self-exploration and seek inner breakthroughs when facing pressure, enabling them to adapt to change more effectively and maintain a healthy mindset.

# Environment

Climate and Nature are two sides of the same coin. The loss of our natural ecosystems and the climate crisis are interconnected issues, and they need to be tackled together. The extreme climate impacts we see around the world today – warmer temperatures, drought, rising sea levels – these, and other extreme consequences of climate change, are contributing to an unprecedented destruction of biodiversity and the loss of the natural resources on which we all depend. At dsm-firmenich, we are increasingly looking at Climate and Nature as one interlinked topic to ensure we develop the required solutions with an equally interlinked approach.

## Climate

dsm-firmenich has brought together two companies that are both industry leaders in their commitment to ambitious climate change mitigation targets but also their unrelenting drive to deliver against these targets.

During 2023, we continued to successfully execute against the individual plans of former companies and delivered a great achievement.

### The achieved emission target of former companies in 2023

Former Company	Near term (2030) Scope 1 and 2 SBTs Absolute Scope 1 and 2 emission reduction	Scope 1 and 2 progress
DSM <sup>6</sup>	59% versus a 2016 base year	46% reduction
Firmenich	55% versus a 2017 base year	35% reduction
DRT <sup>7</sup>	54% versus a 2020 base year	65% reduction

Former Company	Near-term validated Scope 3 SBTs	Scope 3 progress
DSM	Reduce Scope 3 emissions from relevant categories <sup>8</sup> 28% per ton of sold product by 2030 from a 2016 base year	11% reduction versus 2016
Firmenich	80% of suppliers by spend covering purchased goods and services will have SBTs by 2026	17% of raw material suppliers have validated SBTs
DRT	80% of suppliers by spend covering purchased goods and services, will have SBTs by 2027	20% of raw material suppliers have validated SBTs

During 2023, we also developed new plans for 2024 and beyond based on our combined expertise. In early 2024, we submitted our dsm-firmenich net-zero science-based targets for validation by the Science Based Targets initiative (SBTi), aiming to achieve net-zero by 2045, aligned with the ambition of keeping global warming below 1.5°C. Additionally, we aim to achieve an absolute emission reduction of 42% for Scope 1 and 2, and 25% for Scope 3, by 2030 from a 2021 baseline, without the use of carbon offsets. Our new commitment is to purchase 100% of our electricity from renewable sources by 2025. In 2023, we realized 88% purchased renewable electricity, well on track to achieve our target.

We take our global environmental responsibilities very seriously both in our own operations and in our broader value chains as a significant part of our emissions are either upstream or downstream of our operations.

<sup>6</sup> DSM SBT reporting excludes businesses divested in 2023. Our Scope 1 and 2 reporting includes divested businesses in line with our non-financial reporting policy.

<sup>7</sup> DRT business acquired by Firmenich in 2020.

<sup>8</sup> Relevant categories are Purchased goods and services, Upstream transportation and distribution, and Waste generated in operations.

With regard to Scope 3 emission, during 2023, we began aligning the Scope 3 accounting approaches, and developing integrated Scope 3 reduction roadmaps. Our value chain engagement initiatives include targeted sustainability workshops, joint goal-setting sessions, and ongoing collaboration to identify and implement emission reduction strategies along the value chain together with our suppliers and customers.

For upstream, our programs across both former companies are being combined and will form part of our integrated business reduction roadmaps. These roadmaps will be the foundation for our absolute Scope 3 emissions reduction targets. We have committed to Scope 3 upstream action plan to step our Scope 3 decarbonization efforts, driven by the Alliance of CEO Climate Leaders, to scale collaborative action across value chains and drive above-average impact.

For downstream, we share our carbon footprint through Environmental Product Declarations (EPDs), Imp'Act Card™ and Ecotools for our businesses. These cover our main product forms.

To achieve our current results and continue to progress toward our targets, we have developed a roadmap consisting of mainly three improvement pillars:

Reduce our energy consumption through energy efficiency measures

Transition toward renewable electricity

Transition toward renewable heat, using renewable fuel sources and the electrification of our heat demand

## Energy efficiency

### Energy consumption in 2023

	● dsm-firmenich Global		● dsm-firmenich China	
	TJ	MWh	TJ	MWh
<b>Total (net) energy consumption</b>	19,300		1,609	
<b>Total fuel consumption</b>	10,500		672	
○ Non-renewable fuel consumption	9,800		628	
○ Renewable fuel consumption	700		43	
<b>Total electricity purchased</b>	4,700	1,316,000	864	240,066
○ Purchased non-renewable electricity		160,500		135,173
○ Purchased renewable electricity		1,155,500		104,893
<b>Renewable electricity self-generated with ownership</b>	20	5,500	1	394
<b>Total purchased heat and cooling</b>	4,100		72	
<b>Total energy exported</b>	800		0	
○ Non-renewable + renewable electricity, exported		146,000		0
○ Total heat exported	300		0	

Till the end of 2023, the China region has completed more than 14 energy diagnosis deep dives. Through identifying opportunities, we have locked in a net-zero emission planning roadmap for the next few decades and implemented appropriate energy transformation measures for key sites through sustained exclusive programs.

In operations, improving energy efficiency is the most effective way to reduce greenhouse gas emissions. Energy efficiency projects range from process optimization and ensuring that infrastructure is in place (e.g., insulation or heat recovery) to implementing best available technologies to support the implementation of innovative and digital solutions.

In 2023 the energy efficiency projects resulted in 6,000 mt GHG reduction in China. Most of the projects also generated additional benefits such as cost and water savings.

While environmental performance in 2023 was impacted by production reductions and plant closures, a number of projects were implemented at multiple sites during the 2022-2023 period that contributed to the 2023 results, some examples are listed below:

The application of best available technology chiller in Yixing site, by upgrading the old unit to a new type of magnetic levitation bearing/IE4 motor and changing the cold-water circulation system to a closed loop, basically double sized the Coefficient of Performance (COP) from 3 to 7, 40% energy savings were achieved, which is 350 mt GHG reduction. In addition, the use of environmentally friendly refrigerant HFO R1233-zd (GWP=1) instead of traditional HFC R404A (GWP=3900) significantly reduces the carbon footprint from refrigerant.



Best available technology chiller



Electrification MVR upgrade project

The electrification Mechanical Vapor Recompression (MVR) upgrade project on the traditional single-effect evaporation of Xinghuo site is able to bring an annual GHG reduction of 2,000 mt, and facilitate more stable operation and accurate process control.

Plant-wise steam trap management system for Yimante site has implemented as 750 pieces unqualified steam traps replaced, isolation valves installed for LOTOTO (lock out, tag out, test out), added strainers before steam traps and recovered the steam condensate as boiler feeding water. This improvement significantly reduced the steam consumption, 3,600 mt GHG reduction.



Plant-wise steam trap management system



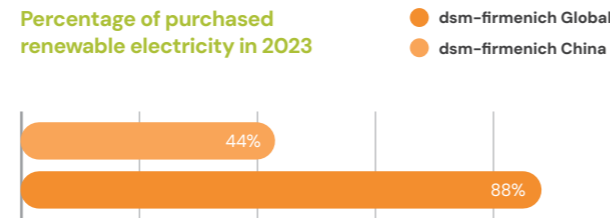
Blower purge heated adsorption dryer

Air drying best practice for vacuum pump system seen in FirJiang site, replaced the waste heat adsorption dryer with a blower purge heated adsorption dryer, using the blower to cool the external cold air, reducing the air loss, keeping a stable output pressure. As a result of that, the monthly average power consumption reduced and 16% of electricity saved.



## Renewable energy

We are a member of RE100, the Climate Group's initiative comprising leading companies that have committed to obtaining 100% electricity from renewable sources as early as possible. Our new commitment is to purchase 100% of our electricity from renewable sources by 2025.



In 2023 for China region, we concluded several five-year agreements that will further improve the amount of renewable electricity from 2024 onwards. Six sites in China commit to five-year renewable electricity purchase agreement from 2024 to 2028, which will greatly increase the proportion of renewable electricity consumption in China.



dsm-firmenich reached five-year energy cooperation framework agreement with Huaneng Shanghai

In addition to the procurement of green electricity, we are also looking for internal energy transformation solutions. For example, in 2023, the FirJiang site has installed 2,051m<sup>2</sup> of solar photovoltaic panels in the usable areas, with an annual power generation of 450MWh, brings 280 mt GHG reduction.



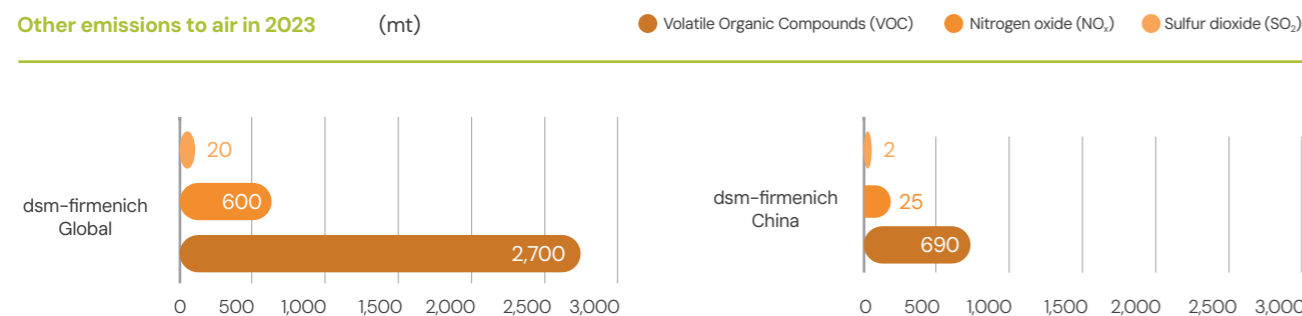
Solar photovoltaic panels

We also continue to use renewable sources for steam and heat, including importing steam from local bioenergy partner in Chifeng (Inner Mongolia, China) and by-product heat from a neighbouring company in Yimante (Hubei Province, China).

The focus on low-carbon heat solutions has become more prominent in our GHG reduction program. We are working on optimizing the utilization of waste streams and collaborating with external providers to explore opportunities.

## Other emission to air

In 2023, we made constantly efforts on taking the responsibility for sustainable development and practice sustainable operations, paying attention to all factors that may have an impact on the environment, monitoring and reducing other emissions to air in our operations, and continuously reducing our pollution footprint.



## Nature

With the global population doubled over the past 50 years, resource extraction has tripled, putting pressure on the Earth's finite resources. The United Nations has calculated that to sustain our current lifestyles, the equivalent of three planet earth would be required by mid-century. Considering our global economy is only 8.6% circular and that planetary boundaries are crossed, it is time to secure the future availability of natural resources and unlock more value from the limited resources available.

We increasingly address Climate and Nature as one interlinked topic, as discussed in Climate. Nature, whether it be biodiversity, or the ecosystem services provided by nature more broadly, helps us adapt to and mitigate climate change.

Nature is firmly embedded in our strategy. We believe that we can contribute to the protection and restoration of nature by acting on three pillars: water, biodiversity, and resource efficiency.

The protection and restoration of nature cannot be delivered by any company in isolation. Collaboration between various actors along our value chain is critical to scale up positive impact in any protection and restoration activity. Therefore, we follow a value chain approach from our environment to our products, and in our own internal operations, whether Science & Research, Operations or Responsible Sourcing. These functions, along with valued external parties, are envisioning a new future for how we protect and restore nature, as well as building the revised roadmaps and targets to show progress toward this future.

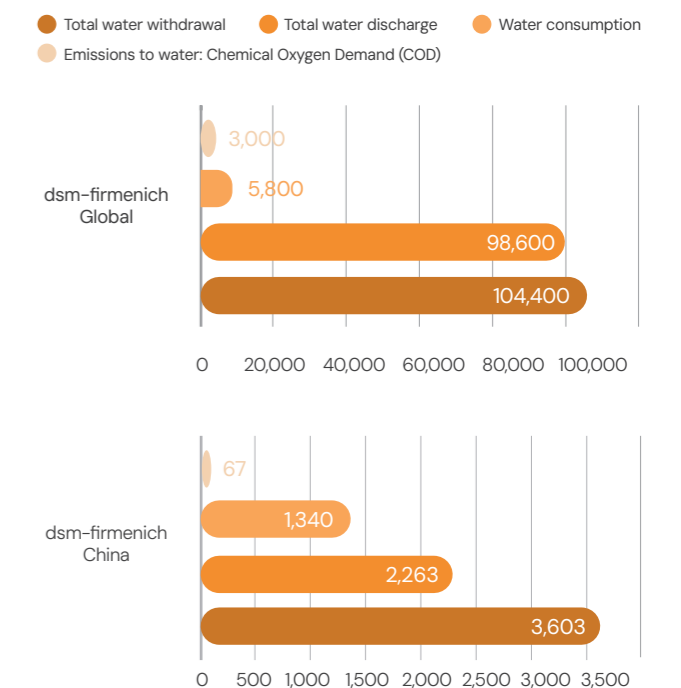
In our own operations, whether in our manufacturing or pre-mix sites, we focus on water stewardship, resource efficiency and any biodiversity areas that are at risk near to our operations. We deploy a risk-based approach using tools such as the Worldwide Fund for Nature (WWF) Risk Filter on Water & Biodiversity, and the World Resource Institute (WRI) Aqueduct tool to design actions to protect and then restore nature.

## Water stewardship

Climate change is altering weather patterns and water security around the world, causing shortages and droughts in some areas and floods in others. The availability of water is a widespread problem, with the WWF estimating that two-thirds of the world's population may face water shortages by 2025.

At dsm-firmenich, we also depend on access to water and strive to strengthen our water stewardship in the areas in which we operate. We care about process water and take responsibility for the quality of our discharge water. Our goal is to ensure the sustainable use of water in balance with the local context and to have safe, available water for all.

### Water stewardship performance in 2023 (x 1,000 m<sup>3</sup>)



Since 2020, we have conducted water impact assessments on water conservation options and their potential business and financial impacts for plants located in water-scarce areas and completed water impact assessments for 3 sites in 2023.

In our operations, we keep working to improve water efficiency to address the risk of water availability in water-stressed areas. At the same time, we actively carry out measures such as recycling of water resources to further reduce resource consumption and maximize the use of water resources.



Vacuum pump water-saving project

In 2023, the vacuum pump water-saving project of FirJiang greatly reduced the consumption of fresh water by adding a set of devices to circulate the water of vacuum pump, and the consumption and discharge reduced by 96%.



FirChina site

By recycling the first round of CIP water, the production of high concentration wastewater in FirChina site is reduced, thereby reducing the amount of incineration disposal 600 mt. In addition, recycling also helps to improve the production yield.



Zero liquid discharge project

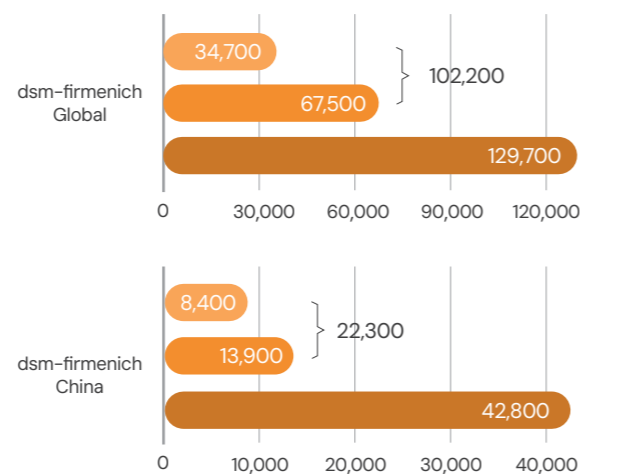
The zero liquid discharge project of industrial wastewater implemented at some sites in dsm-firmenich has effectively reduced groundwater pollution, alleviating the shortage and dependence of water resources for enterprises, not only saving water costs, but also reducing the environmental pollution footprint.

## Resources efficiency

To develop a circular economy and promote sustainable development of society and the environment, we continue to pay attention to and strengthen waste management, in addition to properly handling the generated waste, we also optimize the process through a series of activities, recycling the value of waste, and thus reduce the production of waste and the pollution to the environment.

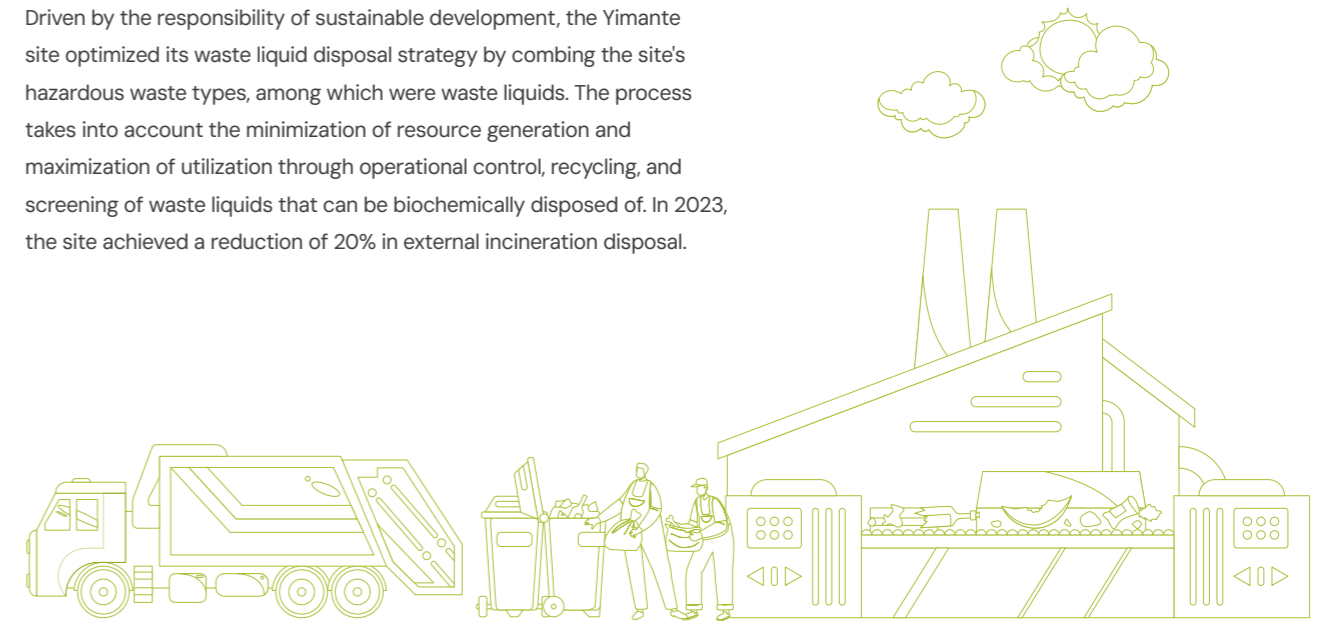
Our waste recycling includes process-related waste that is recycled off-site and, if this is not possible, incinerated off-site with heat recovery. We pay careful attention to meet local waste management regulations.

Waste by disposal method in 2023 (mt)



● Process-related non-hazardous waste excluding recycled waste  
● Process-related hazardous waste excluding recycled waste  
● Process-related hazardous waste excluding recycled waste  
} Total process-related waste excluding recycled waste

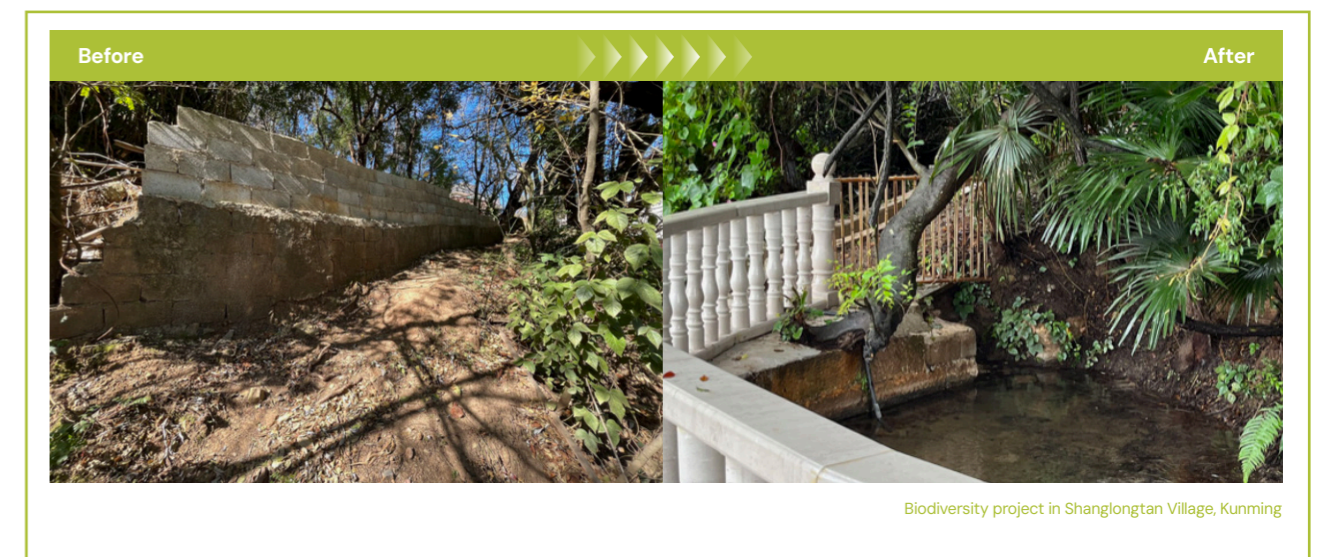
Driven by the responsibility of sustainable development, the Yimante site optimized its waste liquid disposal strategy by combing the site's hazardous waste types, among which were waste liquids. The process takes into account the minimization of resource generation and maximization of utilization through operational control, recycling, and screening of waste liquids that can be biochemically disposed of. In 2023, the site achieved a reduction of 20% in external incineration disposal.



## Biodiversity

We have an important role to play in biodiversity protection, and biodiversity conservation and restoration, especially in areas where we operate directly. Although our manufacturing sites are mainly located in already industrialized areas, some of them may be close to protected areas. We identify the sites that are located close to protected areas using the WWF Risk Filter methodology. As an initial step in restoring nature, we engaged eight additional locations with restoration projects, for which we started to measure key baseline indicators and implemented monitoring activities.

Our restoration program in Shanglongtan Village, Kunming aims to protect local water sources from pollution and flooding. By planting a variety of trees near the water source, we use nature-based solutions to solve water safety and sanitation issues for nearly 500 villagers, while reducing the risk of local biodiversity loss and effectively improving local biodiversity. The project has not only won wide acclaim from local villagers, but also received high recognition from the government.



Biodiversity project in Shanglongtan Village, Kunming

# Financial Performance

In 2023, the total net sales of dsm-firmenich in China region is 8.44 billion RMB<sup>9</sup>.

dsm-firmenich operated in a tough macro-economic environment in 2023, characterized by a solid performance across the company, significantly impacted by unprecedented low vitamin prices, persistent destocking by our customers, etc.

## Business adjustment

In light of these unprecedented economic conditions, we accelerated our plans for driving through profit improvement and cost reduction measures and advanced the review of all our business segments. This led us to the initiation of a process to separate out the Animal Nutrition & Health (ANH) business from the Group which we announced 15 February 2024. This will significantly reduce our exposure to the volatility of vitamin revenues and improve our resilience to market risk by reducing our capital intensity in line with our long-term strategy. We believe that the full potential of the ANH business could be best realized through a different ownership structure.

In 2023 we made good progress in integrating the two former organizations, ensuring business continuity and our ability to deliver the announced synergies. These revenue synergies are driven by complementary capabilities and realized in the three Business Units with the strongest strategic adjacency – Perfumery & Beauty (P&B), Taste, Texture & Health (TTH), and Health, Nutrition & Care (HNC).

## Look forward

Supported by our exciting innovation pipeline, all these above actions (separation and integration) will help us to prioritize and accelerate the company's nutrition, health and beauty high-growth and higher-margin businesses.



<sup>9</sup> The net sales includes the data from the combined entities for 12 months, which includes both DSM and Firmenich as of 1 January 2023. The official merger date of dsm-firmenich is May 08, 2023.

# Stakeholder Engagement

The year 2023 marks a milestone in the merger of DSM and Firmenich, creating a new company, dsm-firmenich, that brings together one of the largest innovative and creative groups in the field of nutrition, health and beauty. Our purpose can only be realized by working with our stakeholders. Through empowering our employees, engaging with our customers, suppliers, and other stakeholders, we will bring progress to life.

## Engagement with internal employees

### dsm-firmenich "Day 1" celebration

On May 9, 2023, dsm-firmenich made its official debut as innovators in nutrition, health, and beauty. Talented and passionate talents from around the world gathered to celebrate the establishment of dsm-firmenich.

dsm-firmenich CEO Dimitri de Vreeze attended the "Day 1" celebration event at the Minhang site in Shanghai in person, and had various interactions with a vast audience of colleagues on-site and online, illustrating the brand, culture, and values of the new company. In the Q&A session, Dimitri and dsm-firmenich China President Joe Zhou addressed queries from hundreds of representatives from Zhangjiang, Minhang, and Xinghuo sites.

From meticulously arranged office spaces to the grand unveiling of the new dsm-firmenich brand; from hours of global live streaming to CEO participation in an online global staff meeting; from the debut of the company's new intranet homepage to the personalized gift packages received by each employee—the first day of dsm-firmenich was filled with excitement and unexpected surprises. All employees participated and witnessed the historical moment together.



Day 1 celebration in Minhang site

### dsm-firmenich launched "Accelerate, China!" 2023 Communication Program

In order to enhance employee comprehension of the historical operations, core products, and clientele of the former DSM and former Firmenich entities, as well as foster mutual learning and motivation, the "Accelerate, China!" initiative was introduced in the latter half of 2023.

From September to December 2023, a total of 9 online and offline "Accelerate, China!" events were successfully held, including four business unit-specific sharing sessions, two key functional departments sharing sessions, one online China Townhall, and two offline roadshows showcasing the business unit's various business products.

More than thousands of employees from more than a dozen venues and offices directly participated in the whole series of events. According to the survey, employees are more than 25% more informed about the integration progress of the Bus and BPs and the company, and 88% of employees acknowledged the program helped provide employees with the information they expected from the company.



Employees actively participate in "Accelerate, China!" Program

## Engagement with governments

### dsm-firmenich China president visited multi-stakeholders

In February 2023, dsm-firmenich China President Mr. Joe Zhou visited Beijing and had meeting with the stakeholders of Ministry of Commerce (MOFCOM), China Petroleum and Chemical Industry Federation (CPCIF), China Council for the Promotion of International Trade (CCPIT) and Dutch embassy. He introduced the business performance and challenge in 2022, the business outlook and the coming merger in 2023.

All the stakeholders were very impressed by DSM's future ambition and the strategy moving for creating a new company in nutrition, health and beauty. They would like to provide the support for DSM development in China.



### dsm-firmenich China president participated 2023 Shandong International Trade and Investment Advisory Conference

In December 2023, dsm-firmenich China President Mr. Joe Zhou participated in the online meeting of the 2023 Shandong International Trade and Investment Advisory Conference, which was held by the Shandong Provincial CCPIT. As the International Trade and Investment Advisor for Shandong Province, Joe Zhou expressed his hope to integrate into the high-quality development of Shandong Province, strengthen cooperation and exchanges, facilitate the business growth, and bring the progress to life.

### Delegation of the Government of Shandong Province visited dsm-firmenich Delft site in the Netherlands

In January 2023, a government delegation from the Shandong Department of Commerce visited to dsm-firmenich Delft site in the Netherlands.

The dsm-firmenich team introduced company's 100 years of change and transformation to the delegation, and arranged for the delegation members to visit and tour the Biotechnology Center and the Food Innovation Center.

Delegation members stated that as Shandong Province is an important manufacturing base for dsm-firmenich, and the government will provide support and help to explore further cooperation.



dsm-firmenich hosted a delegation from Shandong Department of Commerce

## Engagement with industries

### dsm-firmenich participated the first CISCE in Beijing

From November 28 to December 2, 2023, the first China International Supply Chain Expo (CISCE) was held in Beijing was successfully held at Beijing — China International Exhibition Center.

With the theme of "We Bring Progress to Life", dsm-firmenich displayed comprehensive solutions and innovative technologies in the field of health from infants to silver hair, from physical health to emotional health with the three themes of "Better world", "Better Life" and "Better future", and won multiple attention and praise from various parties.

Together we made it a great success at this national-level expo, well recognized by the different stakeholders with lots of positive feedbacks. dsm-firmenich received a wide range of visitors including governments, industry associations, diplomatic missions, media, and customers during the exhibition. All stakeholders were impressed by our products and solutions that bring progress to life and look forward to more contributions from dsm-firmenich in the fields of nutrition, health and beauty.

In addition, dsm-firmenich was reported by CCTV and CGTN and a few other influential nationwide State and business media.



### dsm-firmenich attended the Green and Low carbon development forum

In June 2023, dsm-firmenich China president Joe Zhou was invited to attend the Green and Low carbon development forum that organized by Ministry of Industry and Information Technology (MIIT) and China Enterprise Confederation (CEC) in Guangzhou. Joe Zhou made a keynote speech "We bring progress to life" to the audiences from government, enterprises, and academy.



dsm-firmenich China president attended the Green and Low carbon development forum

## Engagement and partnership with suppliers

### dsm-firmenich promoted sustainable development with suppliers

To achieve dsm-firmenich's ESG target & sourcing strategy and develop our responsible sourcing with a sustainable and inclusive business model, we initiated and supported implementation of sustainable sourcing programs with suppliers. In 2023 dsm-firmenich has built a strategic deep business collaboration with Layn for the next 5 years (Jan. 2024 – Dec. 2028).

We initiated two collaborative projects with Layn: Digitalization traceability project on Stevia & Monkfruit (hereafter "Traceability" project) and Monkfruit sustainability at source project (hereafter "Monkfruit" project).

The traceability project aims at showcasing transparency and make assurance originate, Stevia in CY2023 season was conducted in Gansu, Hebei and Henan Provinces with 4 local cooperatives and involving over 500 farmers. And traceability Monkfruit in CY2023, conducted in Guangxi Province with 5 local cooperatives and involving over 1,200 farmers. The "Monkfruit" project is 3 year sustainability at source project till CY2026. It was launched in CY2023. Aiming to support farmers to be climate-resilient to limit drought impact and securing monk fruit production. Goals will be 1,700 beneficiaries.

## Social activities

### The dsm-firmenich Women Health Enabler Initiative

In May 2023, on the first day of the new company's launch, dsm-firmenich launched the Women Health Enabler Initiative as an important commitment to China. The Initiative focuses on the nutritional health needs of Chinese women, assisting them to improve their family's dietary literacy, health and well-being, and promoting the realization of the "Healthy China 2030" vision.



dsm-firmenich China President Joe Zhou and Ms Wen Hui-Fang, Director of the China Foundation for Rural Development, launching the "Companion Mom Program"

As part of the Initiative, the "2023 Through Women to All" program initiated its inaugural year by launching both online and offline health courses for Chinese women and their family. As of the end of 2023, the collection of educational videos on women's health, child nutrition, and elderly wellbeing have been viewed over 5.8 million times, reaching over 1 million individuals.



"2023 Through Women to All" Health Educational Video

On Aug 15 2023, dsm-firmenich, in collaboration with the China Foundation for Rural Development (CFRD), delivered the Companion Mom Health Guidance Course via livestream. The program was designed to empower child-companion mothers with scientific knowledge as participants, developers, and beneficiaries of rural revitalization. Meanwhile, on Sep 26 2023, dsm-firmenich conducted an on-site visit to the Companion Home of Zigui County, Hubei to enhance the understanding and application of dietary and hygiene knowledge among rural children and their families.



On-site visit to the Companion Home in Zigui County, Hubei Province

By the end of 2023, a total of nearly 300 Companion Moms had participated in the program, benefiting 200,000 rural children and families.

### dsm-firmenich held the "2023 Bright Experience Event"

From September to November 2023, the "2023 Bright Experience Event" was held at 22 venues and branches in 17 cities across China.

This was the first joint dsm-firmenich event since the completion of the merger in May 2023. The former Firmenich sites in Shanghai Minhang, Zhangjiagang, Kunming, Hangzhou, Guangzhou and Beijing actively signed up for this charity event, which the former DSM had been running for 16 years.

The event received positive responses and enthusiastic participation from employees, families, and partners. There are more than 2,000 people signed up to donate. dsm-firmenich will donate 96,000 RMB to the China Foundation for Rural Development and the World Food Programme for the nutrition improvement plan.

#### Employees in multiple sites actively participate the event



Zhangjiagang



Shanghai



Ansa, Hangzhou

### International Children's Day Activities at Hope Schools

During the International Children's Day in June 2023, dsm-firmenich donated printers, drinking kettles, backpack, and cakes to more than 600 teachers and students of Hope schools in Sichuan and Gansu. This is one of the annual charity and CSR activities in China.



Donation to teachers and students of Hope schools

# Recognition and Awards

## Recognition at global level



For 2023, CDP assessed DSM as A- for climate and A- for water, and Firmenich as A- for climate, A for water and A- for forests.




We hold Platinum CSR Ratings from EcoVadis for DSM and Firmenich. The Platinum ratings places us in the top 1% of companies assessed in our industries.




dsm-firmenich received a low-risk rating from ISS QualityScore since our creation, including lowest risk (1 out of 10) in Governance. ISS ESG confirmed dsm-firmenich as "Prime" according to its rating methodology. Our rating of B- puts us in the top decile relative to our industry group.



dsm-firmenich is a constituent of the FTSE4Good Index, which is designed to measure the performance of companies demonstrating specific ESG practices.



At the time of publication, MSCI had not assessed dsm-firmenich. MSCI's most recent rating of DSM was "AAA".



Sustainalytics assessed DSM and Firmenich as being at low risk of experiencing material financial impacts from ESG factors, with both companies included in the Sustainalytics' 2024 Top-Rated ESG Companies List.

## Awards in China

**"Golden Key – SDG Solutions" Champion Award to dsm-firmenich Sustell™**

By China Sustainability Tribune



**Smart Manufacturing Demonstration Plant in Jiangsu Province to FirJiang Site**

By the Department of Industry and Information Technology of Jiangsu Province and the Department of Finance of Jiangsu Province



**Advanced unit of Double Zero Action to FirJiang Site**

By Zhangjiagang Work Safety Committee Office and Zhangjiagang Human Resources and Social Security Bureau



**Suzhou 3A Green Factory to FirJiang Site**

By Suzhou Bureau of Industry and Information Technology



**Shanghai Green Manufacturing Demonstration Unit for 2023 (Second Batch) to DSM Xinghuo Site**

By Shanghai Municipal Commission of Economy and Informatization, Shanghai Municipal Commission of Development and Reform



**Excellent Unit in Safety and Fire Fighting to DSM Hengyang Site**

By Hengyang High-tech Industrial Development Zone Management Committee



**2023 Advanced Unit of Work Safety to DSM Shandong Liaocheng Site**

By Liaocheng Economic and Technological Development Zone Emergency Management Office



**2023 Advanced Group for Emergency Management to DSM Tongxiang Site**

By Tongxiang Economic Development Zone Management Committee of Zhejiang Province, Tongxiang Municipal People's Government Gaoqiao Street Office



**The third batch of municipal green factories in 2023 to DSM Tongxiang Site**

By Jiaxing Municipal Bureau of Economy and Information Technology



**Wuxi Excellent EU Enterprise to DSM Yixing Site**

By the Wuxi Municipal Government



**Foreign-invested Enterprise of Excellence in Development 2023 to DSM Yixing Site**

By Municipal Bureau of Commerce of Wuxi



**Foreign-invested Enterprise of Excellence in Development 2023 to DSM Yixing Site**

By the CPC Xinjian Town Committee and the People's Government of Xinjian Town



**Excellent Enterprises in Open Economy 2023 to DSM Yixing Site**

By the CPC Xinjian Town Committee and the People's Government of Xinjian Town



**Excellent Enterprise in Environmental Protection 2023 to DSM Yixing Site**

By the CPC Xinjian Town Committee and the People's Government of Xinjian Town



**Excellent Enterprise in Harmonious Labor Relations 2023 to DSM Yixing Site**

By the CPC Xinjian Town Committee and the People's Government of Xinjian Town



**Star Enterprise 2023 to DSM Yixing Site**

By the CPC Xinjian Town Committee and the People's Government of Xinjian Town



## dsm-firmenich — We bring progress to life

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dsm-firmenich was launched on 8 May 2023. Our company brings together the best of two market leaders in fragrance, taste, texture, and nutrition, united in a common purpose: to bring progress to life, by combining the essential, the desirable, and the sustainable. dsm-firmenich is a Swiss-Dutch company, which is listed on the Euronext Amsterdam and with dual headquarters in Switzerland and the Netherlands. Our company has operations in almost 60 countries and revenues of more than €12 billion.

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## dsm-firmenich

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